

City of Tucson and Pima County

5-Year HUD Consolidated Plan

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Prepared by the City of Tucson and Pima County Consortium

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INTRODUCTION

EXECUTIVE SUMMARY

The Executive Summary is attached, labeled “Citizen Summary.” This document concisely captures data on demographics, housing, homelessness, and community development, identifies long-term objectives, and cites other documents that provide detail regarding non HUD-funded yet related needs, programs and strategies.

THE CONSOLIDATED PLAN - A FRAMEWORK FOR IMPLEMENTATION

The Five-Year Consolidated Plan provides the framework for implementation of both City and County missions and is designed to guide HUD-funded housing, homeless and community development policies and programs over the five-year period beginning July 1, 2010 and ending June 30, 2014. The plan provides a comprehensive overview of federal, state and local programs in those program areas. It describes needs, resources, goals, strategies and objectives.

The Annual Action Plans describe City and County allocations for the CDBG, HOME, ESG, and HOPWA programs during the coming year. These allocations fund activities to address goals for each of the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Special Needs and Citizen Participation. The City of Tucson and Pima County have formed a Consortium to plan for these activities. The lead agency is the City of Tucson.

Vision, Goals and Resources

The vision of the City of Tucson – Pima County Consortium is ***Sustainable Communities***.

It is readily recognized that all communities have unique human and built environment needs. In addition to sustainability, healthy communities are outcome-oriented and individuals, private and nonprofit businesses and government work together from common values towards a common vision.

With this vision in mind, the goals of this Consolidated Plan are to:

1. Invest in geographic areas with the greatest need while promoting greater housing choice and economic and social integration.
2. Be the model of cooperative and coordinated planning and implementation, encouraging community support and engagement.
3. Develop innovative funding sources.
4. Invest in human dignity and sustainable communities by supporting intervention, prevention, improvement and enrichment activities.

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These goals are implemented with the following HUD resources which are based on the annual allocation received in Fiscal Year 2009:

TABLE 1 - EXPECTED HUD RESOURCES		
Entitlement Programs	City of Tucson	Pima County
Community Development Block Grant (CDBG)	\$6,180,686	\$2,703,834
HOME Consortium	\$4,464,877	
Emergency Shelter Grant (ESG)	\$271,691	\$114,004
Housing Opportunities for Persons with AIDS (HOPWA)	\$420,497	
Competitive and Stimulus Programs	City of Tucson	Pima County
Neighborhood Stabilization Program	\$7,286,911	\$3,086,867
Neighborhood Stabilization Program 2		\$22,165,000
Housing Opportunities for Persons with AIDS (HOPWA)		\$437,942 estimated

INSTITUTIONAL STRUCTURE AND DELIVERY SYSTEM

City of Tucson

The City of Tucson Housing and Community Development Department manages an array of programs and activities. Programs and activities include:

1. Rental Housing. The City is the Public Housing Authority for both Tucson and Pima County. The PHA owns and manages housing for seniors, persons with disabilities and families. It also administers the Section 8 Housing Choice Voucher program, which provides rental assistance for low income households renting from the private sector.
2. Homeowners. The City operates homeowner repair loan and grant programs, and develops housing that is affordable to lower income families.
3. Downtown Housing. Bringing more people to live downtown is a key part of downtown revitalization. The department works with developers and neighborhoods to make this happen.
4. Code Enforcement. An inspection team is responsible for investigating code complaints that affect the health and safety of residents by enforcing the Neighborhood Preservation Ordinance, provisions of the Land Use Code, Sign Code and the Peddler's Ordinance.
5. Comprehensive Planning. The comprehensive planning team is responsible for General Plan Updates, Neighborhood Planning, Historic Preservation, Demographic & Census Data, the Impact Fee Program, and Revitalization Plans.
6. Neighborhood Services. The department assists registered neighborhood associations with mailings, meeting facility assistance and help with obtaining tools and roll-off containers

In addition to operating housing programs, the department is responsible for the planning and administration of federal programs for low and middle income neighborhoods and families. These include:

- Community Development Block Grant Program, a Federal HUD program that provides funding to local communities. The Mayor and Council fund numerous non profit agencies and neighborhood programs with these funds.
- HOME Program, another HUD grant specifically for housing development.
- Homeless Programs. The City assists in planning and funding entities that support homeless persons. The City also directly responds to concerns about homeless persons on City owned property.
- Housing Opportunities for Persons with HIV/AIDS (HOPWA). The City coordinates housing and services with the Southern Arizona AIDS Foundation.

Human Services is another key component of the Housing and Community Development Department. Biannually, the City plans and allocates funding to non profit organizations for a variety of human services.

INSTITUTIONAL STRUCTURE AND DELIVERY SYSTEM

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Pima County

The Pima County Department of Community Development and Neighborhood Conservation operates five main programs:

1. Affordable Housing and Community Planning. This program works with County jurisdictions, non-profits and developers to develop and sustain, affordable, decent housing.
2. Neighborhood Reinvestment Program. This program supports efforts that assist low and moderate income households in medium and high-stress communities and neighborhoods throughout the County with housing, infrastructure and economic development opportunities.
3. Community and Rural Development. This program works with neighborhoods to develop more livable and sustainable communities with small capital infrastructure projects available to all residents.
4. Outside Agency Program. This program provides funding to non-profits targeting programs serving disadvantaged communities and at risk populations.
5. Pima County Brownfields Program. This program targets resources to sites that are deemed a liability for reuse and redevelopment due to the potential or perception of contamination from previous uses.

Organizations that Carry Out Consolidated Plan Activities

The City and County operate within their individual structures as well as a broader network of private, public and nonprofit sector organizations that assist in the development and implementation of the Consolidated Plan. The primary organizations that carry out Consolidated Plan activities include:

- Community Development Advisory Committee (CDAC). The CDAC is a Mayor & Council appointed committee that oversees the grant application process and provides valuable citizen participation to the CDBG funding process.
- Human Services Plan and Review Committees. The City adopted a Human Services Plan that identifies the needs of families and individuals who have difficulty maintaining a basic level of security. In an effort to streamline the funding process for these services, the City issued a single Request for Proposals which replaced multiple processes previously undertaken for CDBG public services, Emergency Shelter Grant, Outside Agency human services, Unallocated Youth and City funds allocated by United Way. Four Human Services Review Committees are appointed by the City Manager, to review proposals for Human Services and make funding recommendations.
- Environmental Review - Delegation of Authority. The Mayor and Council have delegated authority to the Director of the Housing and Community Development Department, or his designee, to implement the review requirements for the National Environmental Policy Act.
- Contracts - Delegation of Authority. The Mayor and Council have delegated authority to the Director of the Housing and Community Development Department, or his designee, to execute contracts or other documents necessary to carry out activities listed in this document.
- Lending Institutions. Many of the Consortium's programs and initiatives utilize mortgages from local lending institutions. The Consortium may ask lenders to provide loans directly to bankable low-income households for home purchase or home improvements, or to an organization or developer for a public facility or multi-family housing project. The Consortium depends on the local implementation of federal Community Reinvestment Act (CRA) programs to successfully develop needed affordable housing.

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- City of Tucson and Pima County Consortium. The Consortium partners with various levels of government and other major funders in policy development. Consortium activities include developing Human Services Plans, hosting discussions about housing and community development activities, and an agreement that authorizes the City to operate a housing program on behalf of the County in order to provide financial assistance to families who reside in Pima County. The program administration includes fiscal management, planning and contracting requirements.
- Public Planning Process. The City has engaged the public in planning and programs through the designation of special advisory committees comprised of individuals with diverse interests and perspectives in regard to key community issues. For example, the Mayor and Council appointed a citizen committee to work with the City on downtown revitalization and oversight of the code enforcement process.
- Environmental Review Guidebook. To facilitate project feasibility and expedite the contracting process, the City developed a local guidebook that establishes a streamlined process for reviewing proposed projects in accordance with the National Environmental Policy Act (NEPA).
- Pro-Neighborhoods. In an effort to provide resources to smaller projects that typically do not meet the criteria for entitlement funding, the City and County developed a multi-funded program called Pro-Neighborhoods. This program targets smaller, neighborhood-based needs like traffic calming devices and school-based activities for neighborhood residents. The program also provides leadership training for neighborhood residents.
- Intragovernmental Coordination. Public improvement projects are coordinated among the following City departments: Parks and Recreation, Housing and Community Development, Police, Fire, and Planning.
- Industrial Development Authorities. The City of Tucson and Pima County have Industrial Development Authorities (IDA). Through special bonding capacity, these organizations have financial resources for affordable housing development and public facility enhancements.
- Call to Action Committee. This committee is working towards a vision of affordable housing for all households by the year 2030. Both the City and County participate with this committee and are developing a common set of values.

MONITORING

Program monitoring for CDBG and HOME regulatory compliance will occur on a continual basis during FY 2010 - 2015. Program monitoring includes the following activities.

Subrecipient Orientation. During the grant application process, subrecipients attend technical assistance workshops designed to assist with developing successful grant applications, and to discuss the regulatory requirements of the CDBG/HOME/ESG/HOPWA programs. Staff also provides one-on-one consultation with subrecipients.

Pre-Award Screening. Prior to award of funds, all subrecipient service providers receive pre-contract assessments to assure that sufficient administrative and fiscal management systems are in place to successfully provide the service identified in the grant applications. During the RFP process, City staff meets individually with agencies to evaluate other program capacity issues.

Post-Award Monitoring. It is the policy of the City and County Departments to monitor all subrecipient contracts on an annual basis. All subrecipients will, at a minimum, be monitored by means of an office desk-review utilizing a monitoring checklist appropriate for the program/project.

- Those subrecipients whose risk assessment is high (4 or more factors checked) will receive on-site monitoring.
- Those subrecipients whose risk assessment is medium (2 to 3 factors checked) will, time permitting, receive on-site monitoring, with those with the highest number of risk factors being a priority.
- Those subrecipients whose risk assessment is low (0 to 1 factors checked) will receive a desk-review monitoring.

All subrecipients will receive on-site monitoring in the event it is requested by an authorized city, state or federal official. Additionally, the Consortium may, at its discretion, perform a risk assessment of a subrecipient, and if the risk assessment warrants on-site monitoring, the Consortium may perform same. All public facility projects will require an on-site visit prior to making final payment.

CONSOLIDATED PLAN DEVELOPMENT

COMMUNITY CONVERSATIONS

Both the City and the County were actively involved in the development of the Consolidated Plan. A series of fifteen stakeholder and public forums were held to solicit input into current conditions, identify obstacles to implementing programs and developing projects, and define goals and strategies. In addition, a meeting to discuss the needs and strategies in the Plan was held prior to the public comment period. Forums were organized around key elements of the Plan and its vision, as well as HUD-funded and related activities:

1. Homelessness
2. Rural services
3. Affordable housing development
4. Housing and human services for Refugees
5. Housing and human services for Immigrants
6. Housing and human services for Special Populations
7. Human services for families
8. Building for energy efficiency
9. Single-family sustainable development and rehabilitation
10. Fair housing
11. Foreclosures and predatory lending
12. Increasing income using HUD programs
13. Transportation and housing
14. Revitalization
15. Public-private partnerships

More than 110 Participate in Consolidated Plan Forums

Attachment 2 is a summary report of the forums. This report lists the names and affiliations of the more than 110 forum participants. The forum participants included representatives from 45 agencies and departments that focus on supportive housing efforts, services for special populations, economic development and employment services, planning and capital improvements. Members of the public were invited to attend and participate in forum discussions. As specific projects and activities are implemented, additional public outreach is planned.

Thirteen Documents and Plans Provide Essential Background Information

A variety of documents were reviewed and incorporated into the Consolidated Plan. These documents include:

- ☞ City of Tucson General Plan;
- ☞ Continuum of Care;
- ☞ Pima County NSP2 Application;
- ☞ 10-year Plan to End Homelessness;
- ☞ Analysis of Impediments to Fair Housing Choice;
- ☞ Housing + Transportation Affordability in Tucson Metropolitan Area, Pima County, and Pinal County;
- ☞ Rural Pima County Economic Profile;
- ☞ Tucson Area Housing Market Forecast for 2010 and Beyond
- ☞ Securing Our Future Now: An Economic Blueprint for the Tucson Region

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- 📁 Pima County Workforce Development Comprehensive Plan
- 📁 City of Tucson Public Housing Authority Annual Plan
- 📁 Call to Action Plan
- 📁 Drachman Institute Regulatory Barriers to Innovative Housing, and Regulatory Barriers to Publicly-Subsidized Housing Reports and Recommendations

In addition to the many stakeholders and members of the public who attended the forums and the reports and the documents reviewed and incorporated into the Consolidated Plan, the City and County have been participating in the Call to Action Group. This group includes representatives from most area municipalities, as well as affordable housing groups, advocates, and technical advisors. This group has set forth a vision and guiding principles that are reflected in the vision, goals and strategies of the Consolidated Plan. The vision is to ensure that everyone in the region has access to safe, decent, housing they can afford by 2030. The vision will be achieved through common beliefs, guiding principles and strategic actions.

The Call to Action Group believes that safe, decent, affordable housing:

- Creates value by contributing to healthy, stable, and strong families, neighborhoods, and communities.
- Is a fundamental human necessity which provides both a private (household) benefit and a public (common good) benefit.
- Is a community's obligation to provide for and preserve, especially for the most vulnerable residents.
- Can be achieved when people affected by decisions have a voice in the process, when common-ground is identified, and when the objective is to create optimal socioeconomic health through opportunities for current and future members of the community.
- Can only be understood and effectively provided for within the context of transit, education, employment, and a sustainable quality-of-life.

The group is guided by the following principles:

- Stewardship of Resources. Stewardship in the broadest financial and social sense, one that is holistic, efficient, effective, eco-friendly, responsible, and return-on-investment focused.
- Local Empowerment/Regional Partnership. Entrepreneurial cooperation, leverage, communication, and planning that engage both the public and private sectors.
- Balance Individual Benefit and the Common Good, Both for This Generation and Future Generations. This responsibility balances the individual benefit and the community benefit for those who live in the community today, those who will move here, and those not yet born.
- Transparent, Inclusive, Open, Mutually Accountable Public Process. Decisions are made with full vetting and open disclosure.

The group has established seven strategic actions:

1. Educate. Help people realize that high-quality affordable housing should be a community priority; everyone benefits – families, employers, individuals, investors – from a sustainable livable community.
1. Partner. Take advantage of opportunities for regional collaboration, leverage, and barrier-reduction (including improved governmental response times) across our municipal boundaries, even as we support local decision-making and develop mutually beneficial opportunities with the private sector.
2. Provide. Ensure that our community provides and preserves diverse (both housing type and location) and adequate rental and ownership options.

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3. Link. Ensure that our housing can be more effectively linked to mass transit, employment, schools, and other services.
4. Innovation. Explore how *all* the costs and barriers to producing and retaining affordable housing could be innovatively reduced, including construction costs, financing and transactional costs, regulatory costs (e.g. governmental permitting processes), energy costs, transportation costs, and environmental costs.
5. Sustain. Continue to develop “green” housing options that reduce maintenance and environmental costs, including reinvesting in existing properties as a means of reducing both household and community costs and enhancing overall quality-of-life.
6. Fund. Ensure a mix of recurring funding sources to invest in affordable housing, from Federal, State, and local government, nonprofits, the business community, and housing program earnings – such that we leverage and “recycle” sufficient funds into our efforts and thereby *increase* our high-quality affordable housing options.

The Call to Action Group has also identified the need to undertake a community planning process that can lead to community action through a results-based accountability process. This process will first identify the desired quality of life conditions regarding housing in the community. It will then identify how success will be measured, the partners and the roles that they play, and the identification of best practices and innovative ideas that might be incorporated into specific strategies.

Citizen Participation Plan

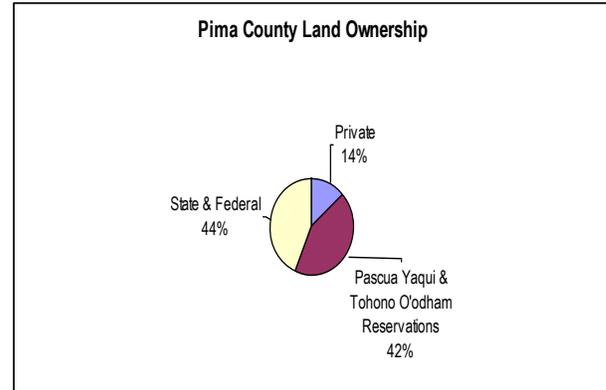
The City’s and County’s goal for citizen participation is to ensure broad participation of both residents and service providers in housing and community development planning and program development. The City and County follow their published Citizen Participation Plans in consulting with the public and stakeholder agencies. Citizen Participation Plans are included as Attachment 3.

The draft Consolidated Plan was widely distributed in print and on-line. Public comment was solicited at a summary meeting prior to distribution and again at two public hearings during the public comment period. The public hearings were held April 15, 2010; one during the lunch hour and another in the evening. The public and stakeholders were encouraged to attend and offer comments.

CONSORTIUM GEOGRAPHY

Pima County consists of 9,189 square miles – an area larger than the States of Rhode Island, Delaware and Connecticut combined. The government holds most of the land in Pima County; less than 14% of the total land area is in private ownership. Nearly 130 miles of Pima County share a border with Mexico. The County includes 5 incorporated cities and towns and two Indian Reservations:

- Tucson, which covers approximately 227 square miles and is the center of a 400 square mile urban area;
- South Tucson, which covers one square mile and is surrounded by the City of Tucson;
- Marana, located north of Tucson and including 118 square miles;
- Oro Valley, located north of Tucson and including 35 square miles;
- Sahuarita, located south of Tucson and including about 30 square miles; and
- Pascua Yaqui and Tohono O'Odham reservations, together covering about 3,860 square miles.



The Consortium includes four sub-regions:

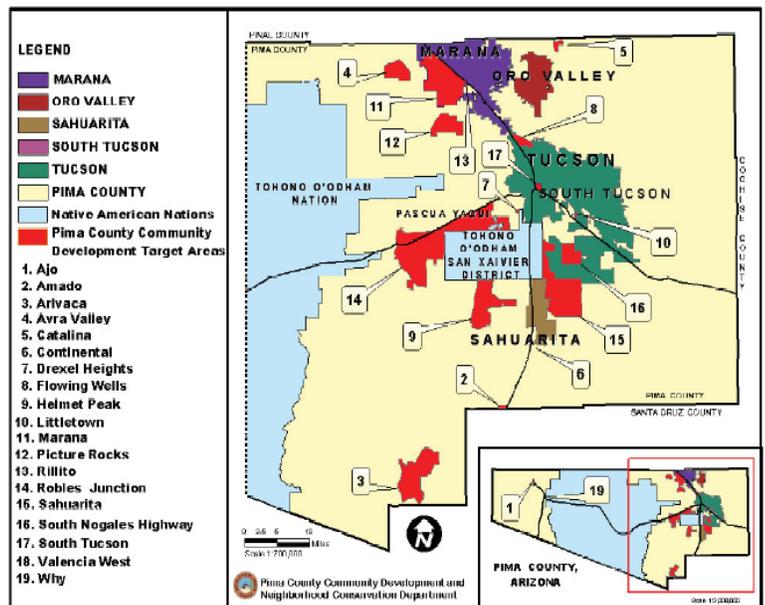
1. Pima County (all incorporated and unincorporated areas in the County);
2. City of Tucson (municipal boundaries);
3. Urban County (developed incorporated and unincorporated areas);
4. Rural County (areas outside of the developed incorporated and unincorporated areas).

Areas of Low-income Concentration and Pima County Target Areas

Within each of the sub-regions exist areas of low-income or minority concentration or both. Areas of low-income concentration are those in which more than 51% of households have incomes at or below 80% of the AMI as established by HUD. These areas are identified through the US Decennial Census conducted in 2000. Special surveys may also have been conducted to identify these areas, which are referred to as Community Development Target Areas.

There are 19 Pima County Community Development Target Areas based on the 2000 Census and special surveys.

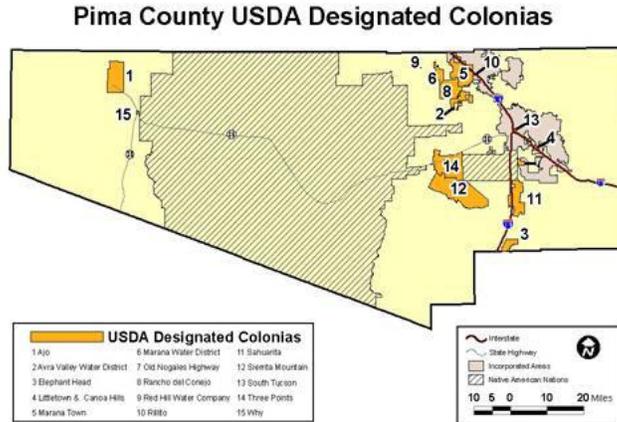
- 59,081 people (or 7% of Pima County's total population) reside in these target areas.
- 39% of the people are Hispanic or Latino
- 61% of households are low- or moderate-income.



CONSORTIUM GEOGRAPHY
 CITY OF TUCSON AND PIMA COUNTY CONSORTIUM
 2010 – 2015 HUD CONSOLIDATED PLAN

Colonias

In addition to Community Development Target Areas, there are 15 USDA Designated Colonias in Pima County. Colonias include all types of communities located within 150 miles of the US-Mexico border that meet the federal definition of lacking sewer, wastewater removal, decent housing, or other basic services.



Neighborhood Revitalization Strategy Area (NRSA)

The Flowing Wells Neighborhood Revitalization Strategy Area is a 3.1 square mile County area nestled between the City of Tucson and the Town of Marana. The majority of residents are low-income and reside in substandard housing. The area originally received its designation as a NRSA in 2001 and continues to be the focus of significant revitalization activities, including Brownfields, economic development and community development activities.

A Changing Demographic by Geography

Since 1990, the race and ethnicity of the population in Pima County has gradually changed and become more diverse. The proportion of the Hispanic population increased from 29% to 40% in Tucson and from 24% to 33% countywide. Yet the data for the Urban County indicates a trend towards decreased population diversity in suburban communities: from 1990 to 2000 the White population increased from 68% to 84%, while the Hispanic population decreased from 37% to 19%.

TABLE 2 - TRENDS IN RACE/ETHNICITY TUCSON AND PIMA COUNTY (1990 – 2000 - 2008)						
	Tucson			Pima County		
	1990 (1)	2000 (2)	2008 (3)	1990 (1)	2000 (2)	2008 (3)
White	75%	70%	69%	79%	75%	73%
Hispanic or Latino	29%	36%	40%	24%	29%	33%
Black or African American	4%	4%	4%	3%	3%	3%
Asian	2%	2%	3%	2%	2%	2%
American Indian or Alaska Native	2%	2%	3%	3%	3%	3%
Other Race (incl. two or more races)	17%	21%	21%	13%	17%	19%

1) 1990 US Census. 2) Census 2000. 3) 2006/2008 ACS 3-year Estimate

CONSORTIUM GEOGRAPHY
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Areas of Minority Concentration

Areas of minority concentration are identified through the Analysis of Impediments to Fair Housing Choice (AI), which relies on 2007 American Community Survey data. The limitation of this data is that it is for the Tucson Metropolitan Statistical Area (MSA) and applied to Pima County as a whole.

For the purpose of the Consolidated Plan, areas of minority concentration are those in which the proportion of minorities is 10% or more than the proportion of minorities as a whole. According to the AI, six zip codes in Tucson and Pima County have a disproportionate concentration of minorities. All of these zip codes are in or immediately adjacent to Tucson and South Tucson.

Zip Code	Percent
85714	87.1%
85706	70.4%
85713	62.1%
85746	56.7%
85745	49.1%
85701	44.9%
Source: 2009 Analysis of Impediments to Fair Housing Choice	

HOUSING MARKET ANALYSIS – SOCIO-ECONOMIC PROFILE

Population Trends

Pima County has for many decades been a place of growth and the population nearly doubled in the past two decades. According to the Pima Association of Governments¹, Tucson and Pima County are places of migration. Leading states of in-migration origin are Arizona, California, Foreign/APO/FPO (military addressing), New Mexico, Illinois, Texas, Nevada, and Washington. Half of newcomers arrive during the summer.

People move for a variety of reasons including the availability of employment, affordable housing, favorable tax structure, and favorable weather. Population growth and the housing market in Pima County and Tucson were buoyed earlier in the decade by:

- Expanding employment;
- Early retirement of many baby boomers;
- Low mortgage interest rates and liberal financing terms;
- Investors acquiring rental properties and second homes;
- Homeowners buying up to larger units; and
- Renters entering the homeownership market.

During the past two decades, the greatest amount of growth has been in the Urban County, where large tracts of relatively inexpensive land combined with the retirement of baby boomers and investment in second and larger homes. Exurban communities experienced exponential growth, with some now having as much as ten times the population they had only twenty years earlier.

	1990 (1)	2000 (2)	July 2008	2000 – 2008 % change
Pima County	666,880	843,746	1,014,023 (3)	20.2%
Tucson	405,390	486,591	543,959 (3)	11.8%
South Tucson	5,093	5,490	5,800(4)	5.6%
Marana	2,187	13,443	33,744 (4)	151.0%
Oro Valley	6,670	29,662	43,223 (4)	45.7%
Sahuarita	N/A	3,242	23,190(4)	615.3%

(1) 1990 US Census, (2) Census 2000, (3) Pima Association of Governments, (4) Population Statistics Unit, AZ Dept. of Commerce

Slow Growth is Anticipated During the Next Five Years

When the economy slows, as is currently the case, in- and out-migration are nearly the same and “natural” population growth (about 2%) occurs. Assuming natural population growth from 2010 to 2015 the population in Pima County will grow approximately 9.8% to 1,175,967 people living in 463,417 households. During the same period, Tucson’s population will grow to 597,568 people living in 236,875 households.

¹ <http://www.pagnet.org/RegionalData/Population/Migration/tabid/594/Default.aspx>

HOUSING MARKET ANALYSIS – SOCIO-ECONOMIC PROFILE

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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Households and Families

The US Census defines a household as “all the people who occupy a housing unit”. A household includes both related and unrelated people who share the housing unit. A person living alone and groups of unrelated people sharing a housing unit, such as partners or roomers are also counted as households.

As defined by the US Census Bureau, a family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of Census tabulations.

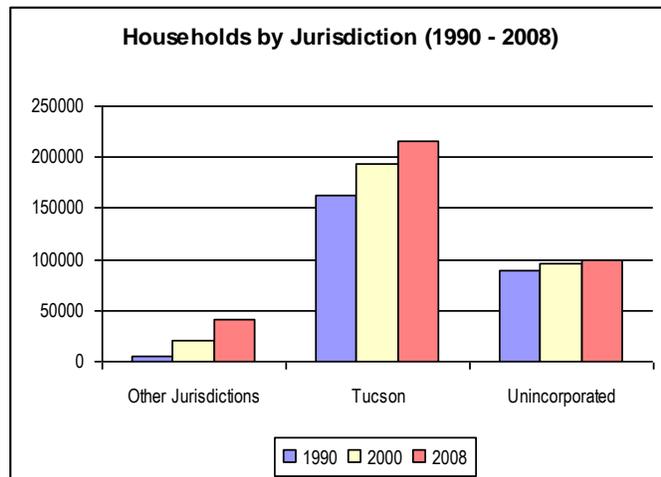
Households and families, regardless of composition or income, desire communities and housing that are affordable to and appropriate for their family. Safe neighborhoods and housing values that remain stable or increase over time are primary factors in choosing a location to call home. Understanding the types of families that comprise a community helps to identify the most appropriate types and price ranges of housing and to quantify infrastructure and other community needs.

Effective local housing policies and priorities reflect the needs and desires of households and families. So while overall population growth was important to understanding the focus on new development and expanding infrastructure during the past several decades, understanding existing residents is equally important to investing resources in the future.

In 2008, there were nearly 400,000 (399,598) households in Pima County, including:

- 215,625 in Tucson;
- 1,895 in South Tucson;
- 40,575 in other incorporated areas; and
- 98,500 in the Unincorporated County.

The average household size in Pima County is 2.54 people and ranges from a low of 2.41 in Oro Valley, a retirement-oriented community, to a high of 3.06 in South Tucson, a family-oriented community.

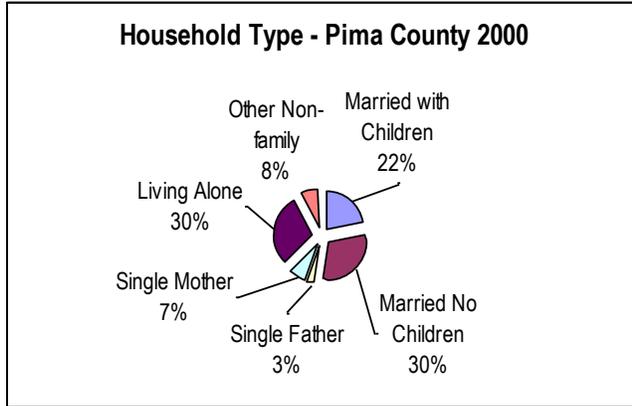


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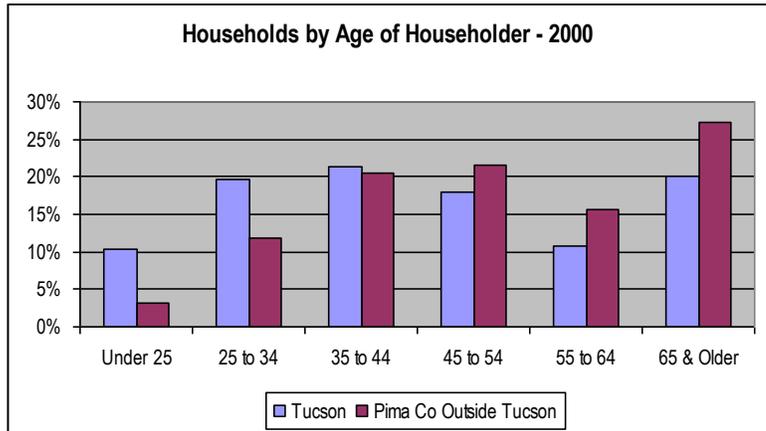
Sixty percent of Households Include Only One or Two People



The distribution of household types is fairly even in Pima County – 30% are people living alone, 30% are married couple families without dependent children, and one third are families with dependent children. One in ten households is headed by a single parent. Eight percent of households consist of unrelated people living together and many of these households are in Tucson, where the University of Arizona is located.

Younger Families in Tucson and Older Families in Suburban and Rural Communities

More than one third (36%) of Pima County's households are headed by a person age 55 or older. Older householders are less likely to participate in the workforce, more likely to own than rent, are more likely to have accumulated wealth and pay cash or make a significant down payment when purchasing housing, and are more likely to purchase second or seasonal housing homes. Older households have been attracted primarily to exurban and suburban communities, where a slower pace and community amenities are geared towards retirement.



Yet older householders also depend on younger working householders to be employed in the industries that meet their later-life needs and lifestyle choices including health care, food services and recreation. The urban communities of Tucson and South Tucson remain attractive to younger families and college students. Many factors contribute to this attractiveness, including greater housing choice and affordability, and access to broad employment opportunities.

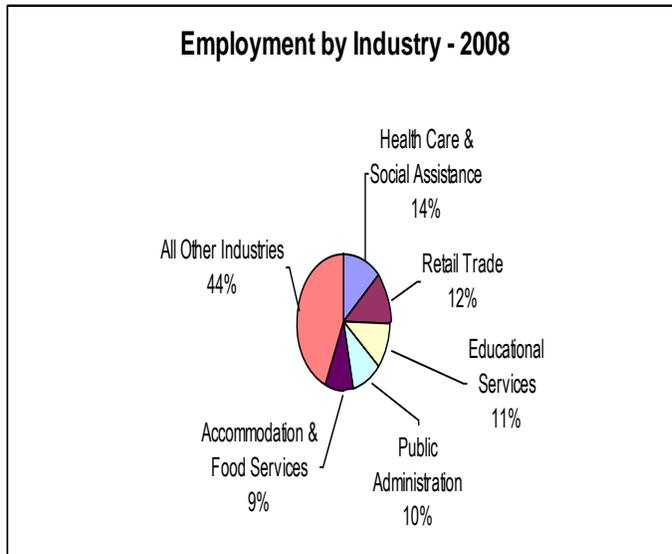
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More than Half of the Workforce is Employed in Top 5 Industries

The retirement and growth-oriented economy of Pima County is reflected in the industries that employ the majority of the workforce. According to Bureau of Labor Statistics Data for Tucson and Pima County, 56% of the employed workforce is employed in five primary industries: health care and social assistance, retail trade, educational services, public administration, and accommodation and food services.



	Employment	Median Annual Wage
All Industries	377,630	\$ 30,830
Health Care/Social Assistance	51,550	\$ 30,201
Retail Trade	45,210	\$ 22,938
Educational Services	41,910	\$ 37,493
Public Administration	36,510	\$ 41,889
Accommodation/Food Services	35,550	\$ 16,820

Source: Arizona Workforce Informer

Supporting these industries and others, while investing in workforce development are essential to economic stabilization. Investment in economic development requires an understanding of not only the industries that employ people but also the skills and abilities that are needed to fill the occupations within those industries. In 2008, the primary occupations in Tucson and Pima County were sales and related, office and administrative support, healthcare practitioners and technical occupations, food preparation and serving, and education, training and library. These occupations suggest that a range of skills and abilities from administrative and support positions requiring strong people and organizational skills, to technical knowledge acquired only through a combination of education and training are needed.

Wages Remain Low despite Growing Economy

Average annual wages per job reflect the earned income potential of workers in a geographic area. On an annual wages-per-job basis, the Tucson region lags behind the United States and the Phoenix area. Tucson reduced the gap in average wages per job by 3.4% between 1993 and 2005, but workers still only earn about 88% of what the average U.S. worker earns.

Occupational employment and wages are indicators of the overall local economy and to some degree measure the success of economic development activities. Despite a growing economy, wages as a percentage of median income declined from 73% in 2000 to 67% in 2008. Within primary occupations, wages increased from 15% to 49%. The greatest increases were in healthcare occupations, while the least were in food preparation and serving (one of the fastest growing occupations), and education, training and library (one of the slowest growing occupations).

HOUSING MARKET ANALYSIS – SOCIO-ECONOMIC PROFILE

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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TABLE 6 - TOP 5 OCCUPATIONS - TRENDS IN EMPLOYMENT AND INCOME

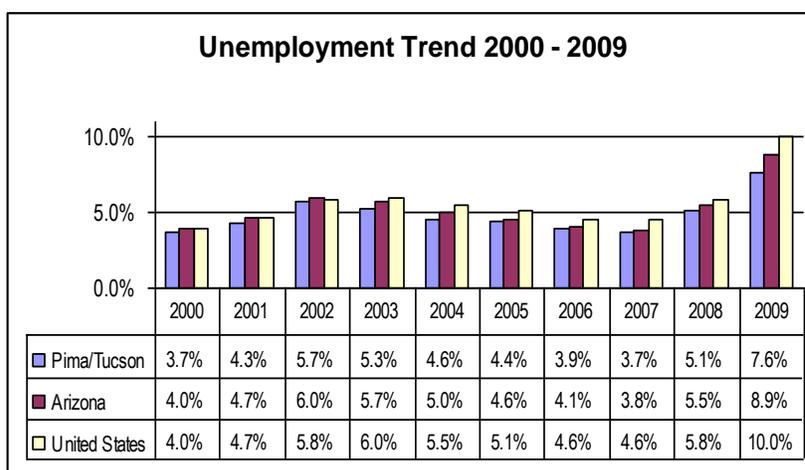
Occupational Title	Rounded Employment		2000 - 2008 change in employment		Median Wage		2000 - 2008 change in median wage	
	2000	2008	No.	%	2000	2008	Amt.	%
All Occupations	370,768	377,630	6,862	2%	\$ 26,775	\$ 30,830	\$ 4,055	15%
Sales & related	42,539	36,590	-5,949	-14%	\$ 17,470	\$ 22,630	\$ 5,160	30%
Office & administrative support	57,988	68,320	10,332	18%	\$ 21,480	\$ 27,740	\$ 6,260	29%
Healthcare practitioners & technical	15,830	22,390	6,560	41%	\$ 38,160	\$ 56,970	\$18,810	49%
Food preparation & serving related	21,863	33,300	11,437	52%	\$ 13,450	\$ 16,840	\$ 3,390	25%
Education, training, & library	22,607	23,790	1,183	5%	\$ 32,320	\$ 37,080	\$ 4,760	15%

(1) Census 2000. (2) Arizona Workforce Informer

Unemployment Rate Doubles

While the economy expanded earlier in the decade, the economic recession has impacted a large volume of the workforce. According to the Bureau of Labor Statistics, the Pima County and Tucson unemployment rate doubled from 2000 to 2008. This change is slightly lower than the overall change in Arizona and 70% lower than the overall change nationwide.

During the past twelve months the unemployment rate increased steadily, rising from 5.8% in November 2008 to 8.0% in December 2009, with peak unemployment reached in July 2009.



Two Earners are Essential to Housing Choice

For many members of the workforce in Tucson's top industries, renting is the only real choice. Lower than average wages mean that working families must often make difficult choices between family and employment. For those who wish to expand their housing choices to include homeownership, two earners are essential. Still, while two earner households fare better than single earner households, the need to own two cars overburdens many working families from the housing and transportation affordability perspective.

Housing choice is an important element of attracting and retaining a qualified workforce. Some employees, such as school teachers and police officers are considered essential to a thriving community. Other occupations are however equally essential as they sustain primary industries and contribute to economic and community vitality. A look at some of these occupations provides insight into the housing choices available to working households. The following chart demonstrates the relationship of wages to housing choice. Red (dark) indicates that the median rent or median priced housing unit is not affordable, while green (light) indicates that housing is affordable. The underlying analysis assumes that a single earner is at the median wage for that occupation. As additional earners are added to the

HOUSING MARKET ANALYSIS – SOCIO-ECONOMIC PROFILE

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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analysis, the assumption is that they are earning the median wage for all occupations. For renters, it is assumed that paying 30% of household income is affordable. For owners, it is assumed that a purchase price equal to 2.8 times annual income is affordable.

This analysis demonstrates that single earner households are challenged to afford both the median rent and the median-priced unit. Those occupations that require technical skills or knowledge gained through education, such as nurses, school teachers and police officers have greater choice, while occupations that require less education or technical training have fewer choices.

	Employees	Single Earner		1.5 Earners		2 Earners	
		Rent	Own	Rent	Own	Rent	Own
Cashier	10,880						
Nurse	7,690						
Secretary	4,980						
Home Health Aide	4,030						
School Teacher	4,020						
Cook	2,940						
Police Officer	2,060						

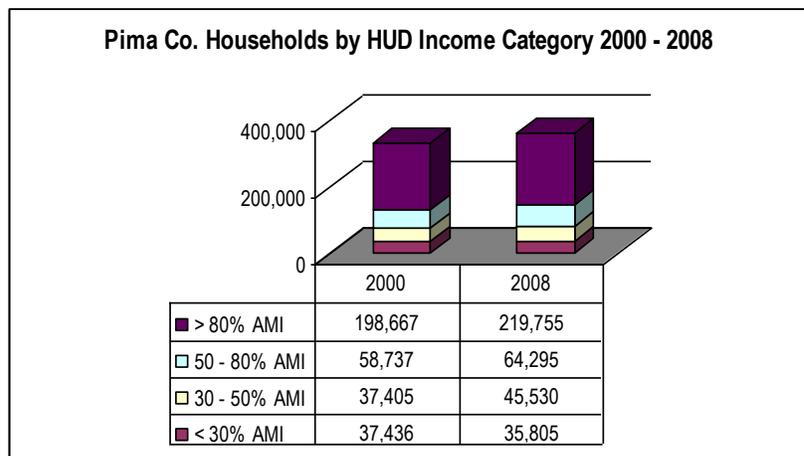
Household Income

Median income is the measure by which the housing and community development industry defines low and moderate income households and then targets resources. Median income includes both income from employment and income from other sources such as investments, retirement and public assistance.

145,630 Households are Low and Moderate Income

Low and moderate income households are those that have an income less than 80% of the HUD County median income. Since one half of households have incomes above the median and one half below, it follows that 40% of households in a County will be low and moderate income. Many of these households have housing problems as well as services needs. The housing problems of households are described in detail in HUD Table 2A.

The proportion of low and moderate income households will however vary by locality based on local income. South Tucson and Tucson will have a higher proportion of low and moderate income households than will Oro Valley or Marana.



HOUSING MARKET ANALYSIS – SOCIO-ECONOMIC PROFILE

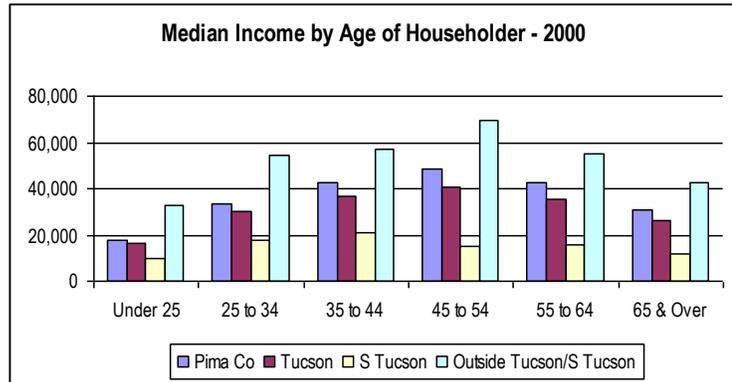
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Older Households Have Higher Incomes

Households with the highest income are those with the greatest likelihood of more than one full-time wage earner - those between the ages of 35 and 64. As households on both ends of the age spectrum (under 25 / 75 and older) are more likely to live in non-family households (single people, unrelated people living together), to work part-time, or to have a fixed income, they are also more likely to have lower incomes.

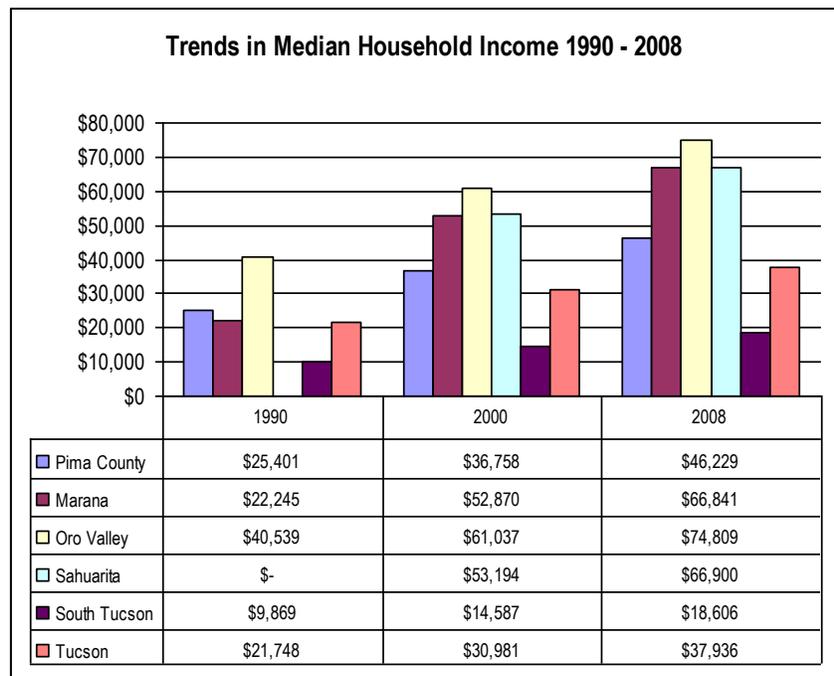
The concentration of younger families, single-parent families and single-person households in Tucson is reflected in lower household income, with the lowest income households concentrated in the City of South Tucson and the highest income households outside of the oldest urban areas.



Income Barely Keeping Pace with Inflation

As the economy expands and the cost of goods and services increases, it is expected that incomes will also increase proportionately. Wages did not however keep pace with income or inflation. The large proportion of retirement-age households also means that many Pima County residents are living on fixed incomes and may be challenged by the current economy.

- From 1990 to 2000 median income increased an average of 4.5% in Pima County and 4.2% in Tucson. During the same decade the inflation rate was 3.0%, indicating that incomes were increasing faster than costs.
- From 2000 to 2008 annual median income increases slowed to an average of 3.2% in Pima County and 2.8% in Tucson. During this time, the inflation rate was 2.9%, indicating that income increases were roughly in line with inflation.



HOUSING MARKET ANALYSIS – HOUSING MARKET CHARACTERISTICS

HOUSING UNIT CHARACTERISTICS

The housing market consists of housing units and the people and households who choose to occupy them. It is very much a supply and demand (economic) equation. Yet many complex variables influence the housing market beyond simple supply and demand. Some of these variables include household income, family composition, access to suitable employment and education opportunities, age, and the cost of goods and services in the community to name a few.

Considering supply and demand, the three primary elements of the housing market are:

1. Variety - defined by the types of housing that are available.
2. Quality - most often defined by age, unit value and whether the unit has complete plumbing or kitchen facilities.
3. Affordability - defined by the percentage of household income that must be spent for housing costs.

If housing alone were adequate to create and sustain a community, then a quality unit with all of the desired amenities that costs not more than 30% of a household's gross income would represent a healthy balanced community.

In general, the housing market moves roughly in line with the rest of the economy over the long term. A boom-bust cycle, where the economy is growing and strong and then stagnates or declines is common in Arizona. The early part of the decade was a "boom" cycle— employment in all sectors, and in particular construction and related sectors grew rapidly. Growth was in part driven by poor returns on investments and changes in tax laws that prompted many households to purchase second homes. Since 2007, the economy has slid into a bust cycle – job loss, unemployment and increases in foreclosed and vacant properties are the current measures of an economic recession.

Housing Units Added for Growing Population and Investors

The general dependence of the housing market on population growth is readily recognized – without population growth additional housing units are not needed. While the population grew 20% between 2000 and 2008, housing unit growth was 15% in the Unincorporated County and 7% in Tucson. With an average household size of 2.54 people, housing unit growth of 8% to 10% would reflect demand from the increasing population. The higher proportion of new units to new population indicates that investment in real estate was one driver of the housing boom.

	2000 (1)	2008 (2)	Units Added	% Change
Pima County	366,737	421,325	54,588	15%
Marana	5,658	12,097	6,439	114%
Oro Valley	14,004	19,173	5,169	37%
Sahuarita	1,242	5,341	4,099	330%
South Tucson	2,059	2059	0	0%
Tucson	209,792	225,340	15,548	7%

(1) Census 2000. (2) American Community Survey 2006-2008 3 year estimate.

In the fast growing community of Sahuarita, the housing stock tripled, and in Marana doubled. While data for South Tucson indicates that no new units were added, approximately 100 housing units have been replaced during the past few years.

HOUSING MARKET ANALYSIS – HOUSING MARKET CHARACTERISTICS

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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Vacancies Increase while Seasonal Use Decreases

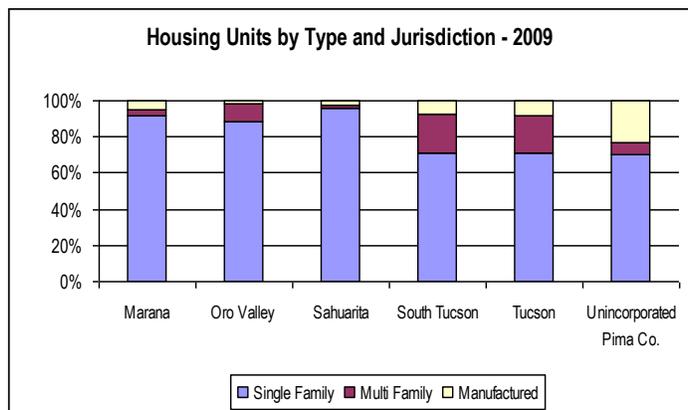
According to the United States Postal Service, which provides data regarding residential and business vacancy, the average number of vacant residential units in 2009 was 24,335, up 2,100 units or 0.4% from 2008. The proportion of occupied units and the vacancy status of vacant units reflect both demand for housing in general and the primary use(s) of housing units. The status of vacant housing units is one indicator of the demand for housing: A large volume of vacant units for sale or for rent may indicate low demand or oversupply; it also may indicate that the housing stock is uninhabitable or held for seasonal or recreational use. While Pima County has long been an area that attracts seasonal residents, seasonal occupancy declined from 36% of vacant units in 2000 to 27% in 2008. This indicates that the current level of vacancy is due largely to an oversupply of units.

Housing Variety

Opportunities for movement within a housing market (housing choice) are defined by variety; therefore a variety of housing types is necessary to meet the diverse housing needs and desires of both owners and renters. At the same time housing variety is driven by many factors - primarily demand for certain types of housing and amenities by households who can afford the desired type and amenities. Other factors that influence housing variety include public policy such as zoning and building requirements, the availability and cost of infrastructure, community character (e.g. rural v. urban), builder experience, neighborhood acceptance, and the cost of land and construction.

Single-family Detached Housing Predominates

Both new migrants and existing residents dream of a new home and the wide-open spaces typical of communities west of the Mississippi River. The availability of large tracts of land on the outskirts of already-developed areas provided an opportunity for them to experience that dream. From 2000 to 2008, the trend towards developing single-family housing was especially evident in the Urban County, where the housing stock nearly doubled and 98% of the new stock was single family. The Unincorporated County and the City of Tucson had a more balanced mix of new housing, single-family still dominated – 72% in the Unincorporated County and 81% in Tucson.



Multi-family and Manufactured Housing Contribute to Community Sustainability

The dream of a new home and wide-open spaces sometimes leads to a desire to stop all change, including higher densities and different housing types. Other factors also contribute to limitations on housing variety – inadequate infrastructure and small populations that may not ensure long-term occupancy, as well as complex regulations and State statutes that make zoning for affordable housing a challenge. For these reasons and others, higher density or multi-family housing is much more common in urbanized areas. Most (75%) of the multi-family housing stock is located in Tucson, yet Tucson accounts for only 49% of the County's population.

Multi-family and manufactured housing opportunities are important housing choices for households at all income levels and particularly lower-income households. Renters and lower income households often choose multi-family or manufactured housing. In 2000 94% of multi-family units and 19% of manufactured units were renter occupied countywide. Manufactured units were a key part of the rental stock in South Tucson (31%), Marana (28%) and

HOUSING MARKET ANALYSIS – HOUSING MARKET CHARACTERISTICS

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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Tucson (22%). In the Urban County where most of the housing stock is single family, most renters (84%) occupy single family units.

Often considered some of the most affordable housing available, manufactured housing is more common in the Unincorporated and Rural County than in urban areas. In 2000, the Unincorporated County accounted for approximately 40% of the total housing stock and 64% of manufactured housing stock. Many rural areas once lacked basic infrastructure and the cost of construction was high due to a limited pool of contractors willing to travel to isolated areas. Manufactured housing was a natural and affordable housing choice, yet the placement of manufactured housing has become less common.

Housing Quality

Housing quality encompasses a range of issues that are central to quality of life, including housing safety, design and appearance, maintenance and energy efficiency, and community safety and livability. The quality of the existing housing stock reflects economic prosperity and pride of community. As a popular vacation destination, housing quality is often the first impression that signals the community well-being that attracts new employers and economic investment. Both Pima County and the City of Tucson take a proactive approach to community and neighborhood stabilization through such activities as community clean ups and code enforcement. These activities contribute to voluntary correction of code violations, create community and neighborhood pride, contribute to the health and safety of residents, and improve community appearance and character.

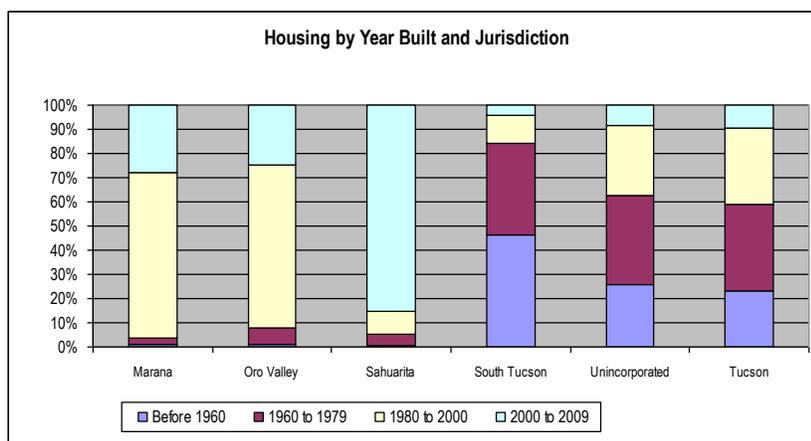
Nearly Half of Housing Units are More than 30 years Old and Most are in Tucson

Older housing units may be less energy efficient, resulting in higher utility costs for occupants. In addition, some materials such as lead paint (in units built prior to 1978) and asbestos may represent health hazards to occupants. The age of the housing stock is one indicator of housing quality. While many older housing units have been well-maintained and lovingly restored, other older housing units may have been built to outdated building codes using materials and construction techniques that are no longer considered safe or sustainable. Older units are the most likely to require rehabilitation or replacement, historic preservation, and energy-efficiency improvements.

Almost half (45% or 199,606 units) of the housing stock in Pima County is 30 years old or older. The majority of older units are located in Tucson, where 49% of the stock is more than 30 years old, and in South Tucson where 75% of the stock is more than 30 years old.

One third of older housing stock was built prior to 1960 when local building codes were not yet adopted or enforced in many areas. Much of the oldest housing stock is in Tucson and South Tucson:

- In Tucson, 53,666 units or 23% of the stock was built before 1960 and another 83,345 or 36% of the housing stock was built between 1960 and 1980.
- In South Tucson 1,002 units or 47% of the stock was built before 1960, and another 807 or 38% of the housing stock was built between 1960 and 1980.



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Tenure

Tenure is important to understanding the occupancy of units and is critical to the structuring of appropriate strategies; it varies with such demographic factors as age, occupation, and household type:

- In 2008, 66% of Pima County households and 54% of Tucson households were homeowners.
- From 2000 to 2008, Tucson added 5,500 owners and 2,400 renters, while Pima County added 31,300 owners and 7,700 renters.
- There were 10,041 foreclosures in 2008 and 2009 and the proportion of owners and renters has likely shifted.

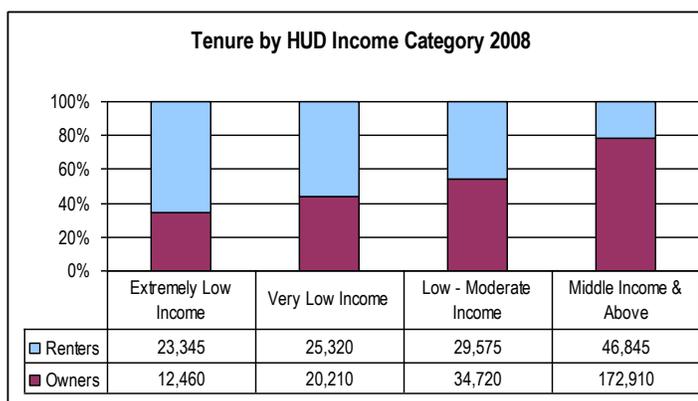
	2000 (1)				2008 (2)			
	Owner		Renter		Owner		Renter	
	Count	%	Count	%	Count	%	Count	%
Pima County	213,620	64%	118,730	36%	244,915	66%	126,455	34%
Marana	4,084	83%	808	17%	8,389	80%	2,153	20%
Oro Valley	10,370	84%	1,967	16%	13,533	81%	3,100	19%
Sahuarita	924	80%	230	20%	3,772	80%	938	20%
South Tucson	729	40%	1,081	60%	N/R		N/R	
Tucson	103,229	54%	89,717	46%	108,765	54%	92,080	46%
Urban County (3)	76,191	78%	21,598	22%	76,191	78%	21,598	22%
Rural County (3)	18,093	84%	3,329	16%	34,265	84%	6,586	16%

(1) Census 2000. (2) American Community Survey 2006-2008 3 year estimate. (3) Estimate based on Census 2000 data for Census Defined Places

The choice of whether to buy or rent depends in part on a household's financial situation. A household's financial situation depends on the age of household members and their employment situation. Inversely, the search for decent, safe and affordable housing impacts employment and the economy in general.

Higher income households are generally able to save for a down payment and closing costs, meet lender credit requirements, and take advantage of the tax benefits of homeownership. Ownership therefore increases with household income.

While 79% of middle and higher income households are owners, the rate declines to 54% for low and moderate income households, 46% for very low income households, and 35% for extremely low income households.



Housing Affordability and Cost Burden

Both owners and renters may choose to occupy housing that is disproportionately costly to their income for any number of reasons – location, availability, public transportation and access to services or employment, anticipated income increases, and housing quality are just some of the complex factors that impact housing choice. Therefore, while cost burden is an important consideration in developing appropriate strategies, a truly accurate definition of housing affordability must recognize adequate household income to locally purchase (rent or own) housing with sufficient resources remaining for basic goods and services (including transportation) and the opportunity to generate additional income or increase net worth.

Government programs define cost burden as paying more than 30% of gross household income for total housing cost (rent or mortgage and utilities), however this definition is most appropriate to moderate income households than to lower or higher income households. Simply stated, housing cost burdened lower-income households may have little remaining to pay for the essentials – clothing, food, transportation and child care, while higher income households may choose to pay more for housing since there is plenty remaining for the other essentials. Cost burdened households at all income levels also can't support local businesses with discretionary funding, so restaurants and recreation services suffer. Housing cost burden also has costs to the community; when housing costs are too high or the quality is poor, employers have difficulty attracting and retaining quality employees. For major employers, housing affordability is often a factor in location decisions.

When housing prices increase due to a fundamental supply and demand equation, then both rental prices and ownership prices can be expected to increase comparably. During the early part of the decade, the population increased 20%, rents increased 32%, and purchase prices increased 82%. Population growth early in the decade directly impacted housing prices as demand exceeded supply. Yet unit prices remained high even as the supply caught up with the demand. This suggests that the increase in housing costs had as much to do with a fundamental supply and demand imbalance as with other factors, such as creative and liberal financing, and increased purchasing by retirees and investors.

While population growth has stagnated, other factors such as unemployment and underemployment, increased foreclosures and evictions, and increased vacancy rates as families “double up” have all put downward pressure on housing prices and rents.

Racial and Ethnic Minorities Have More Severe Housing Problems

While 11% of owners and 26% of renters have some housing problem, the proportion of racial and ethnic minorities with severe housing problems – paying more than 50% of household income for housing, living in overcrowded conditions or living in substandard housing – is higher than for the White population. This disparity is particularly pronounced among owners. While 9% of White owners have severe housing problems, 16% of Black or African American owners and 15% of Hispanic owners do. Among renters the disparity is less pronounced but still exists. Twenty-four percent of White renters have severe housing problems, compared with 31% of Black or African American households, 29% of Hispanic households and 26% of “other” races.

Energy Efficiency and Sustainable Building are Essential for Long-term Affordability

Housing affordability extends beyond the relationship of housing costs to income. Just as transportation costs impact housing affordability based on location, utilities directly impact housing affordability. The standard measure for affordable rental housing and monthly rent subsidies includes an allowance for utilities derived from average utility costs by unit size. Low and moderate income households and large families occupying older structures are especially impacted by high utility costs. Improving housing affordability and reducing operating costs through improved energy efficiency and sustainable design is an important strategy.

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The more poorly a structure is built, the more costly it is to operate in the long run. The overall goal of energy efficient and sustainable building practices is to provide for long-term affordability and sustainability. Some of the objectives are to recognize transit and transportation accessibility, improve indoor air quality and positively impact the health and well-being of residents. Energy efficiency has many household and community benefits. The movement is towards long-term cost savings, decreased emissions, increased health and ultimately increased productivity. Incorporating appropriate materials and techniques into public and nonprofit facilities can also reduce organizational operating expenses, providing for lower overhead and increasing opportunities to serve the community.

One argument against energy efficiency improvements and sustainable building has been that material and labor costs are high. However as demand has increased, costs have decreased putting many improvements within the reach of households and builders alike. In fact, many energy efficiency improvements have zero or very low cost. According to Pima County Community Development staff, LEED silver certification costs approximately 2% more than standard construction and can result in significantly lower utility bills and community impacts.

Both the University of Arizona Drachman Institute and the Arizona State University Stardust Center for Homes and the Family have been working towards building models of energy conservation and sustainable design. The Drachman Institute has developed design guidelines and model units that are readily available to nonprofit builders. The Stardust Center has developed standards (AZ5 ReGreen) that provide energy efficiency retrofit guidelines. Both the AZ5 ReGreen and LEED guidelines provide a menu of techniques and materials that range from zero -cost to high-cost, making it possible for those who are not well-versed in all of the techniques and materials to choose the most efficient and sustainable improvements and building techniques.

Local government has also played an important role in energy efficiency and sustainable building. Pima County is the only recognized local government to provide LEED certification. This certification places energy efficiency and sustainable development expertise within local government, where partnerships and relationships with the affordable housing and community development industry are readily sustained. One success that demonstrates the effectiveness of in-house expertise is the adoption of Green rehabilitation standards by jurisdictions throughout the County. The standards are coordinated with a Certification program for rehabilitation contractors.

Adding Transportation to the Affordability Equation

While adequate income to rent, purchase and maintain housing is the heart of the affordability issue, the ability of working households to access appropriate employment and community amenities is a key issue in attracting and retaining a qualified and diverse employment base. During the past decade, the University of Arizona and Center for Neighborhood Technology (CNT) have been working to develop a combined housing-transportation affordability index. According to CNT, compact neighborhoods with walkable streets, access to transit, and a wide variety of stores and services have high location efficiency. They require less time, money, and greenhouse gas emissions for residents to meet their everyday travel requirements.

As the Tucson Metropolitan Area and Pima County continue to grow, they have the opportunity to develop in such a way that residents can reduce the environmental and household cost impacts of travel. The March 2009 report *Housing + Transportation Affordability in Tucson Metropolitan Area, Pima County, and Pinal County* provides information on the combined housing and transportation (H+T) costs in Pima County and Tucson, demonstrating that these two household expenses are closely linked. While many households are housing cost burdened, many more are transportation cost burdened.

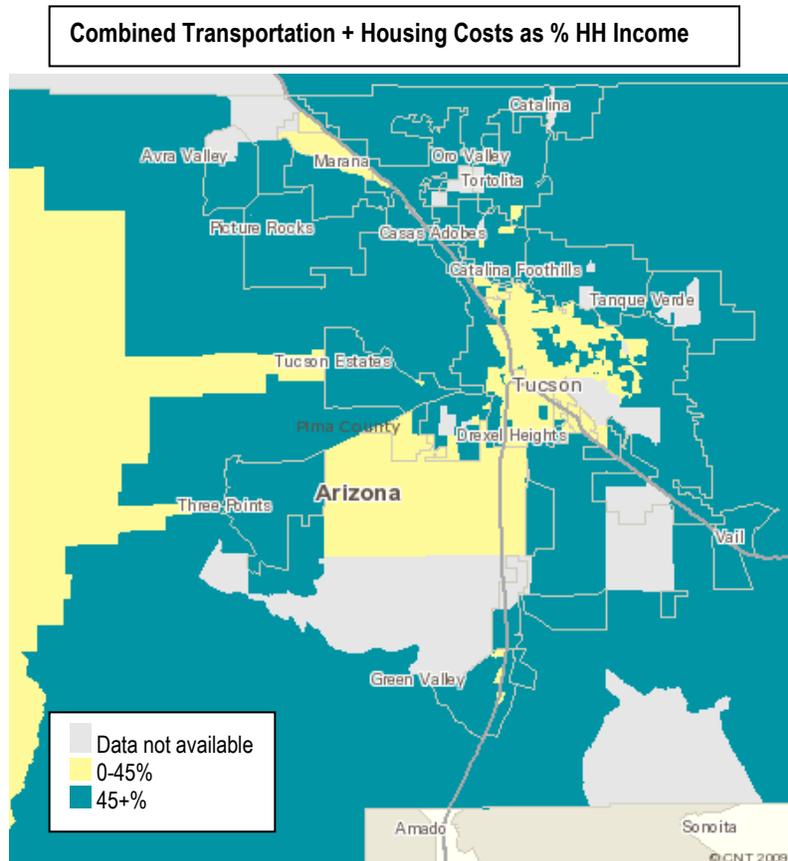
Because both housing and transportation costs vary greatly by location, and often in conflicting directions, considering the two costs jointly is key in measuring and understanding the affordability of a location. Transportation costs can range from 15% of household income in location efficient neighborhoods to over 28% in inefficient

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locations. If it is assumed that spending no more than 45% to 48% of household income for housing and transportation combined is affordable, a median income household has a relatively small area of the region to choose from, primarily limited to central Tucson and Marana; the area is even more restricted for households earning 80% of median income. The following H+T map shows that H+T together can range from less than 30% in the central city to more than 60% in outlying areas. While housing may be more affordable in the outlying rural areas, when transportation is added to the equation average households become overburdened by housing and transportation costs.



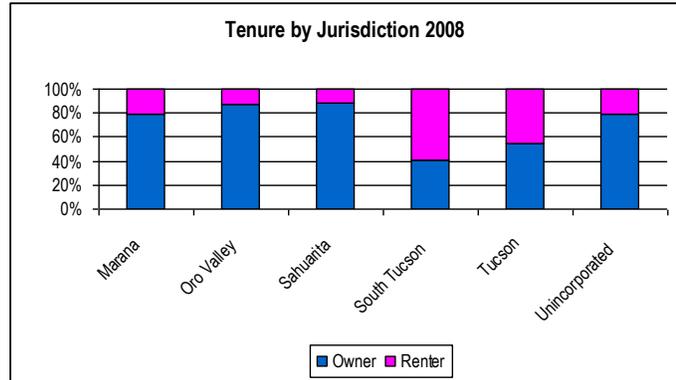
High Housing + Transportation costs affect not only individual household savings and their potential for wealth creation, but also the overall economic well being of the region. Government can encourage and implement multimodal transportation options for residents and create streetscapes that encourage walking and bicycling. Government can also adopt an aggressive policy to market the benefits of public transit and promote mixed-use development with restaurants and shopping in both the urban core and small towns to provide residents an alternative to driving. Finally, jurisdictions can support a regional planning policy that directs future growth in a manner that promotes pedestrian-oriented, compact, mixed use development in areas with access to intra- and inter-city transit.

HOUSING MARKET ANALYSIS – THE HOMEOWNERSHIP MARKET

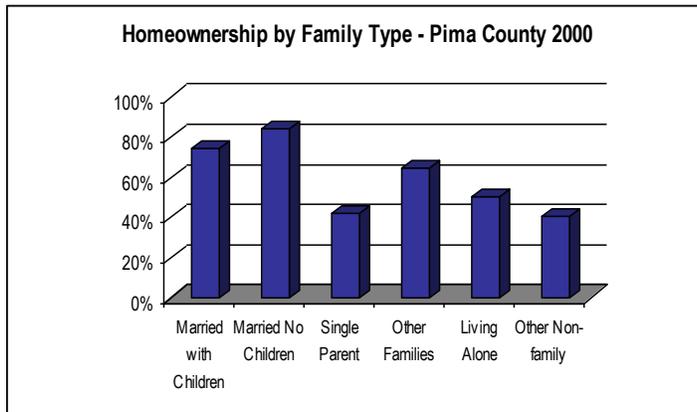
Increasing Homeownership – A National Policy Objective

It is a widely-held belief that homeowners contribute to community stability through their financial investment and that they seek to maintain and grow that investment through greater participation in the community. Consequently, areas with high homeownership rates are considered less vulnerable to displacement from gentrification and rising housing prices. With this underlying belief, the national goal of increasing homeownership has resulted in a focus of resources on assisting first-time homebuyers.

The goal of many homeownership programs is to achieve a homeownership rate of 70%. In 2000, the Countywide homeownership rate was 66%. Lower rates were found in Tucson (54%) and South Tucson (40%).

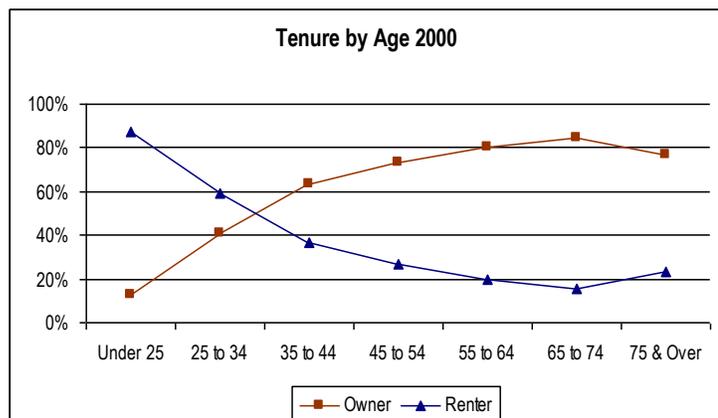


Empty Nesters and Older Householders are More Likely to Own



Family structure is one factor that impacts the homeownership rate – the higher the proportion of family members to earners, the less disposal income to save for homeownership. In 2000, married couples with no dependent children were most likely to be homeowners, while single-parent and non-family households were least likely to own.

The rate of homeownership also increases as age increases and remains relatively stable after the age of 35. This suggests that a proportion of the population will choose renting over owning, regardless of socio-economic factors such as age, income or family type. The homeownership rate decreases after the age of 75, when renting, including congregate and continuing-care residences, assisted housing, and skilled nursing care becomes either attractive or essential.



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Overcrowding and Substandard Housing: Two HUD Measures of Housing Need

Overcrowding can lead to health and safety concerns, higher utility costs, and a need for increased maintenance. The US Department of Housing and Urban Development measures overcrowding and substandard housing to determine the breadth of housing needs and produces Comprehensive Housing Affordability Strategy (CHAS) data on these two indicators.

According to the HUD CHAS data, 2% of Pima County owners live in overcrowded conditions. Overcrowding is most prevalent (5%) among low and moderate income owners - those least likely to have the disposal income to save for the purchase of a larger unit.

HUD CHAS data on overcrowding is also intended to assist with determining risk of homelessness and identifying unit needs among larger families. It is important to note however that Pima County is home to families of many cultures in which extended families are common. So, while the data may predict foreclosure risk in some geographic areas it is an inaccurate measure in Pima County. This data is however important to understanding the challenge to find decent, safe housing appropriate for large families and families at lower income levels.

Owners	Overcrowded	
	No.	%
< 30% AMI	635	5%
30 - 50% AMI	945	5%
50 - 80% AMI	1,775	5%
80 - 95% AMI	490	3%
> 95% AMI	1,595	1%
Total Overcrowded	5,440	2%

Source: HUD CHAS data

	No.	% income level
< 30% AMI	260	1.9%
30 – 50% AMI	100	0.5%
50 – 80% AMI	280	0.8%
80% - 95% AMI	25	0.5%
> 95% AMI	890	
Substandard Owner Units	1,550	

Source: HUD CHAS data

Another measure of housing problems identified by HUD is substandard housing – units that lack complete plumbing or kitchen facilities. Less than one percent of owners occupy substandard units as defined by HUD, yet the proportion of extremely low income owners living in substandard units is three to four times greater than owners at other income levels. In Pima County, many of the substandard housing units are located on Tribal Lands, where cultural traditions influence such factors.

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Housing Affordability and Cost Burden

Homeownership affordability is assessed from both the supply and demand sides of the housing market. The supply side of the equation is measured through values and sales prices, existing and new unit sales volume, and vacancy rates. The demand side of the equation is measured through growth in population, employment, net worth, and financing opportunities such as the types of financing available, interest rates, and credit requirements. Housing quality and variety influence both sides of the equation.

37,500 Affordable Housing Units Countywide

For low and moderate income households, units priced less than \$125,000 are affordable. In terms of affordability to low and moderate income households, there were approximately 37,500 affordable units in Pima County including:

- 18,196 in Tucson;
- 3,779 in other incorporated jurisdictions; and
- 15,527 in unincorporated areas.

Housing values directly impact the amount of funds that a buyer can borrow as well as the amount of taxes paid. Values are generally reflected in prices but during a time of high demand, prices can exceed values. In turn, higher prices drive up values as comparing prices is one method of determining value. Lenders provide financing up to a percentage of the value of a housing unit and this is one factor in determining whether a buyer is able to purchase a unit.

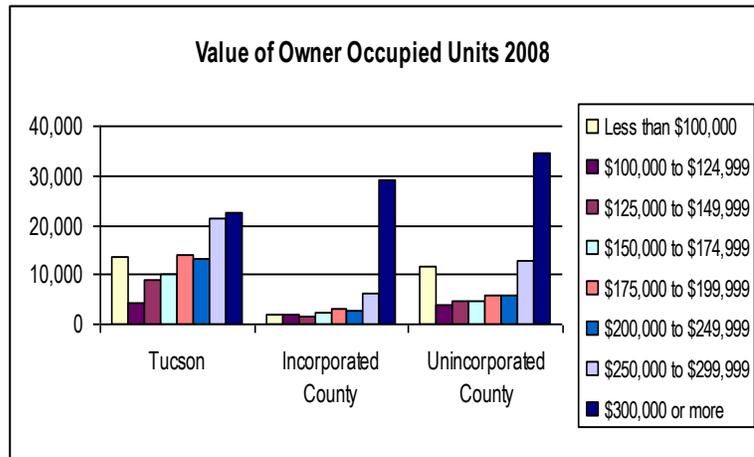


TABLE 11 - VALUE OF OWNER-OCCUPIED HOUSING UNITS (2008)

	Affordable to HH (1)		Tucson		Urban County		Rural County	
	Income	% AMI	No	% Units	No	%	No	%
Less than \$100,000	\$ 35,714	62%	13,758	13%	1,916	4%	11,779	14%
\$100,000 to \$124,999	\$ 44,643	78%	4,438	4%	1,863	4%	3,748	4%
\$125,000 to \$149,999	\$ 53,571	93%	8,831	8%	1,692	3%	4,613	5%
\$150,000 to \$174,999	\$ 62,500	109%	10,285	9%	2,355	5%	4,838	6%
\$175,000 to \$199,999	\$ 71,429	124%	14,091	13%	3,082	6%	5,833	7%
\$200,000 to \$249,999	\$ 89,286	155%	13,364	12%	2,529	5%	5,952	7%
\$250,000 to \$299,999	\$ 107,143	186%	21,267	20%	6,232	13%	12,926	15%
\$300,000 or more	>\$107,143	>186%	22,450	21%	28,977	60%	34,704	41%
			108,484		48,646		84,393	

Source: 2006/2008 American Community Survey (1) Assumes 2.8 times annual income

HOUSING MARKET ANALYSIS – THE HOMEOWNERSHIP MARKET

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Median Income Households Require Assistance to Purchase

While there are 37,500 affordable units in Pima County, many are already occupied and not necessarily available for purchase. Determining the amount of assistance that households would require to become owners assists in determining the types of assistance that would provide greater housing choice for low and moderate income households. Types of assistance might include down payment and closing cost assistance, interest rate buydowns (or points), equity contributions, and development of new units. Closing cost assistance and interest rate buydowns are appropriate when households have sufficient income to acquire a mortgage but are unable to save for the expenses associated with becoming first-time homebuyers. New unit development and equity contributions are appropriate when households do not have sufficient income and therefore cannot participate in the housing market even after saving for down payment and closing costs.

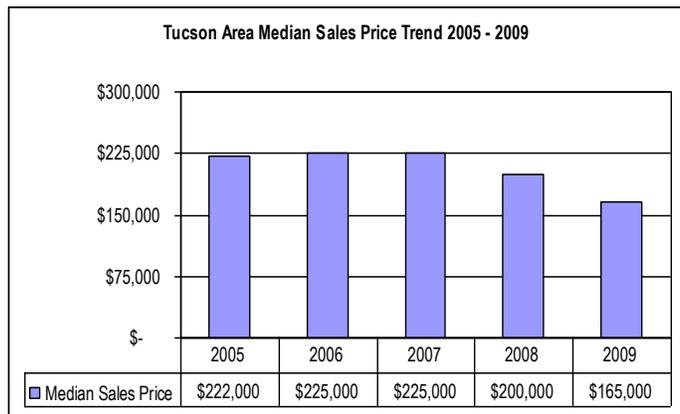
In 2008, 31% of Pima County households, including 29% in Tucson, 36% in the Urban County, and 38% in the Rural County could afford a median value unit. Assisting a median income household to purchase a median value unit would require as much as \$80,000 in subsidy, with much higher subsidies needed for lower income purchasers and in the Urban County.

	Pima County	Tucson	Urban County	Rural County
Median Value	\$ 209,000	\$ 180,600	\$ 262,100	\$ 209,000
Median Income	\$ 46,229	\$ 37,936	\$ 66,870	\$ 56,550
% HH afford median value unit	31%	29%	36%	38%
Purchase Gap (100% AMI)	\$ 79,559	\$ 74,379	\$ 74,863	\$ 50,661
Purchase Gap (80% AMI)	\$ 105,447	\$ 95,623	\$ 112,310	\$ 82,329
Purchase Gap (50% AMI)	\$ 144,279	\$ 127,490	\$ 168,481	\$ 129,830
Source: 2006/2008 ACS				

Tucson Unit Sales Volume and Housing Prices Decline with Economic Downturn

Sales volume is the primary indicator of housing demand. Increased demand tends to increase housing prices, while decreased demand often has the opposite effect. Sales volume was stable during 2008 and 2009, with an average volume of 10,600 units, down 41% from the 2005 peak of 18,000 units. Local housing experts predict that existing unit sales will continue at the current volume during the next several years as the economy recovers.

Since the peak in 2006/2007, the Tucson-area median sales price has dropped \$60,000 or 27%, creating the potential for a larger pool of low-income buyers to enter the Tucson homeownership market. In 2009, the median priced unit was within reach of nearly one-half of Tucson area households and the assistance required by a moderate income buyer was reduced to \$36,200 from \$95,600. This gap makes multiple strategies to assist first-time homebuyers appropriate, including down payment assistance and interest rate buydowns. At the same time, stricter underwriting criteria and competition from real estate investors continues to hamper the purchasing efforts of Pima County's low and moderate income households.



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More than Half of Existing Low income Owners are Cost Burdened

While assisting first-time homebuyers to enter the homeownership market is one important community sustainability strategy, assisting existing homeowners to maintain their housing is equally important. Cost burdened owners are often challenged to maintain their properties and deferred maintenance may lead to deterioration of major housing systems, neighborhoods and communities.

Existing homeowners may experience cost burden (paying more than 30% of household income for housing) or severe cost burden (paying more than 50% of household income for housing). While owners at all income levels experience cost burden, it is more prevalent among lower-income owners. Sixty-nine percent of extremely low income owners are either cost burdened or severely cost burdened. Fifty-seven percent of very low income, 39% of low and moderate income, 37% of middle income, and 13% of higher income households are also cost burdened.

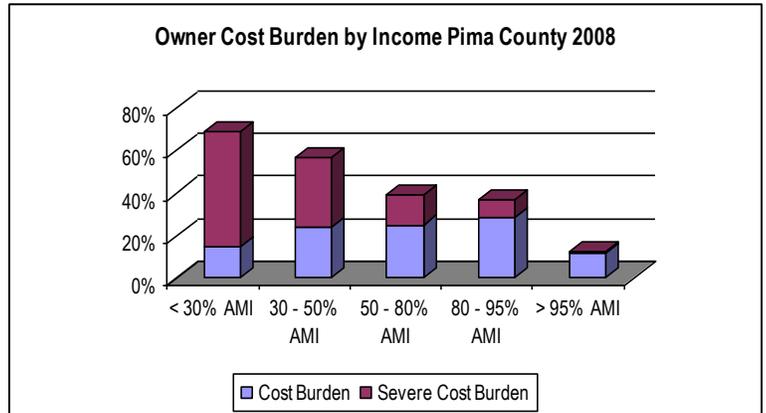


TABLE 13 - COST BURDENED AND SEVERELY COST BURDENED OWNERS BY INCOME LEVEL PIMA COUNTY (2008)

	Cost Burdened			Severely Cost Burdened		
	No.	% of cost burdened HH	% income level	No.	% of cost burdened HH	% income level
< 30% AMI	2,040	5%	15%	7,495	33%	54%
30 – 50% AMI	4,895	13%	24%	6,565	29%	32%
50 – 80% AMI	8,730	23%	25%	4,925	22%	14%
80% - 95% AMI	5,155	13%	29%	1,375	6%	8%
> 95% AMI	17,970	46%	12%	2,060	9%	1%
Cost Burdened	38,790	16%		22,420	9%	

Source: HUD CHAS data

Foreclosures Continue to Increase

In Arizona, a lender must appoint a Trustee, the person or entity that has the legal right to sell the home in a Trustee sale. Because most homeowners have a Trust Deed, the foreclosure timeline is fairly simple and quick because the Trustee does not have to go to court to foreclose. By law, the Trustee must record in the County Recorder's office a Notice of Trustee's Sale. This notice is the legal notice that the home will be sold no sooner than 90 days from the recording date of the notice. The notice must be published at least once per week for four consecutive weeks in a newspaper of general circulation in the County in which the property is located. A hard copy of the notice must also be mailed within 5 days of recording to the home owner and others affected by the sale. When the 90 days have elapsed without correction by the home owner or affected parties, a Trustee's Deed (foreclosure) may be recorded.

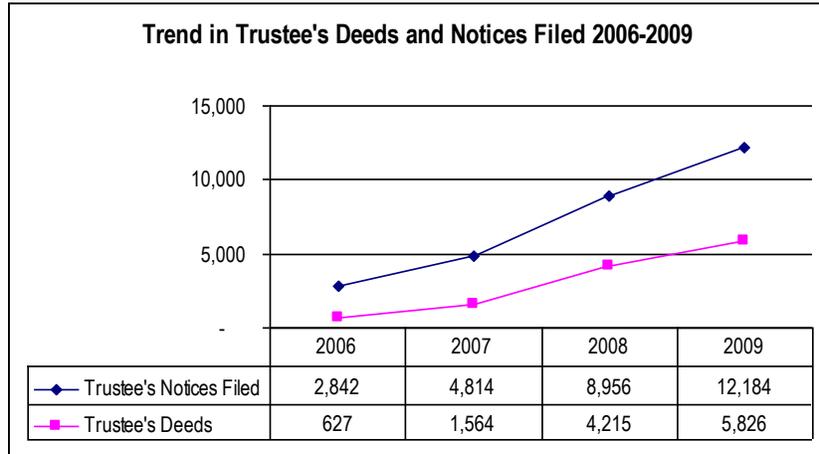
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Pima County CDNC staff research monthly Recorder's Office real property information and maintain a data base of Trustee's Sales and Trustee's Deeds.

- From October 2008 through March 2009, 33% of Trustee's Sales resulted in Trustee's Deeds (foreclosures).
- The volume of foreclosures has increased steadily since 2006. There were 627 in 2006, 1,564 in 2007, 4,215 in 2008, and 5,826 in 2009.



The primary factors contributing to foreclosure are loss of employment, high-cost and high-leverage financing by buyers, high-cost and high-leverage refinancing by owners, over-building, and over-valuation. With a large volume of short sales and expired listings, over-valuation is considered the primary factor, yet all of the other factors contribute to the larger picture.

- High cost and high leverage loans. This type of financing places the borrower at particular risk of foreclosure when property values decline. Those who purchased or refinanced between 2004 and 2006 are at greatest risk, as property values have declined significantly since 2006.
- Over-valuation. High demand and “creative” financing contributed to high demand and over-valuation of property. From June 2004 to June 2005, prices increased 31% to \$219,500 and remained relatively stable until the market slowed in 2007. Those who purchased or refinanced to cash out have since lost, on average, 27% of their property value. Over-valuation is further evidenced in a large volume of short sales.
- Over-building. Relatively inexpensive land combined with high demand from both owners and investors resulted in continued building even as the market slowed.
- Credit. The Federal Reserve Bank April 2009 Senior Loan Officer Opinion Survey on Bank Lending Practices provides a clear picture of the current credit environment. About 50% of domestic respondents indicated that they had tightened their lending standards on prime mortgages over the previous three months, and about 65% of the 25 banks that originated nontraditional residential mortgage loans over the survey period reported having tightened their lending standards on such loans.

According to the Director of the Family Housing Resources Residential Mortgage Unit, first time homebuyers are facing numerous challenges in obtaining mortgage financing. All of Arizona has been designated by Fannie Mae and Freddie Mac as a declining market, making it near impossible to acquire mortgage insurance for conventional financing. For this reason, FHA is the product of choice. While potential buyers qualify according to FHA underwriting guidelines, lenders often require additional documentation or “custom conditions” beyond those required and with little explanation. The standard FICO score required by lenders is 620, rather than the 585 defined by FHA. Complete budget forms that demonstrate how the buyer will handle the new mortgage along with household expenses are frequently requested, as are tax returns and W-2 forms. Custom conditions have extended the time of loan closing from 30 days to 60 days. Staff implementing NSP1 and other financial assistance programs have noted that these delays have caused first-time homebuyers to lose homes on which they have made offers as cash investors are making offers that close quickly and have little corresponding lender paperwork.

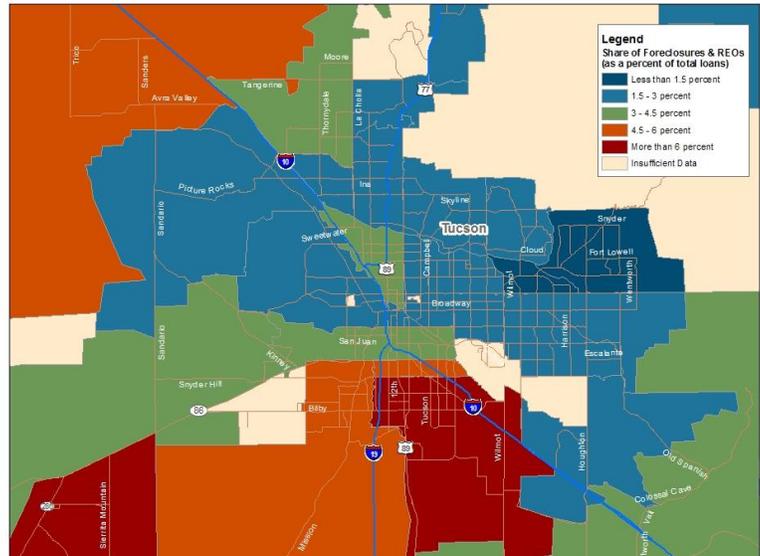
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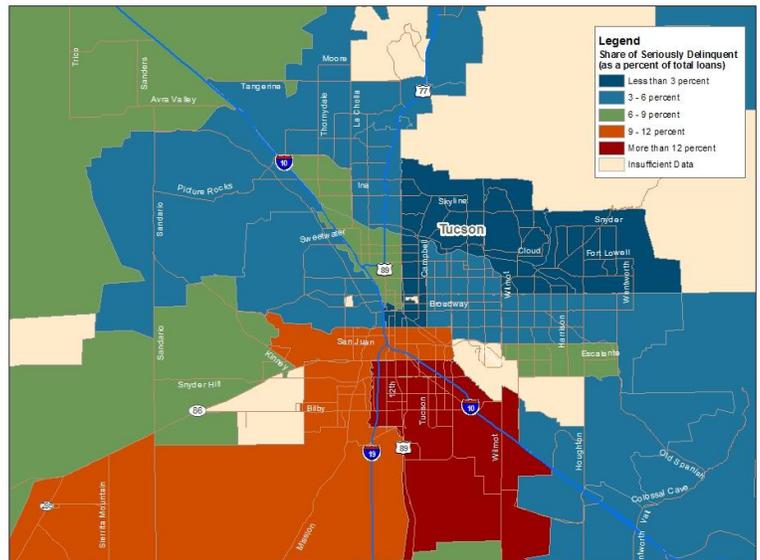
Foreclosures and Geography

The factors that contribute to foreclosure are evidenced in the heat maps shared by Lender Processing Services Inc. Applied Analytics & FRBSF Calculations through the Federal Reserve Bank of San Francisco. These maps delineate the areas with the highest proportion of foreclosures. Areas with newer development and those with high concentrations of low-income and minority households have seen the largest volume of foreclosures. Many of these areas are also those where the cost of transportation is higher and buyers drove to qualify during the boom.



Foreclosure Risk Remains High

While much of the foreclosure volume during the past three years was due to subprime lending and adjustable rate mortgage resets, this type of lending has slowed dramatically. Still, other types of loans are due to reset during the next three years. Of greatest concern are those loans with an option adjustable rate as well as Alt-A loans. Those areas with the highest proportion of current foreclosures remain at high risk for foreclosure during the next several years.



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Foreclosure Prevention and Loan Modification are Essential

Pima County has taken the lead in foreclosure prevention and loan modification assistance. Their current activities include:

- Implementing Freddie Mac's Don't Borrow Trouble® Pima County (DBT) campaign to prevent foreclosures by encouraging homeowners to call the Hot Line for a referral to one of Pima County's HUD approved housing counseling agencies. The Hotline allows borrowers to inquire about suspicious loan modification companies, how to file complaints against scams and where to go for additional resources (bankruptcy, legal aid, emergency assistance and more).
- Allocation of Emergency Services Network funds for homeowners facing default or foreclosure through up to \$3,000 in one-time financial assistance.
- Education of homeowners facing foreclosure through community workshops coordinated with local community colleges, neighborhood centers and the faith-based community.
- Partnership with the Arizona Foreclosure Prevention Task Force has given Pima County access to financial support as well as best practices for workshops, websites and sponsorships.
- Creation of a Foreclosure Prevention Workbook, in both English and Spanish.
- Communication directly from CDNC to homeowners in receipt of a Pima County Notice of Trustee Sale from the Records Office provides homeowners with a list of resources to help them stop the sale or seek help from HUD agencies, Don't Borrow Trouble or Pima County or CDNC. Letters are written in both English and Spanish.

While these activities are assisting many homeowners, the Federal Reserve Bank of San Francisco reports that loan modification scams are proliferating, especially in areas with high investor interest. With nearly one quarter of recent home sales in the Tucson area made with cash, investor interest is evident. For homeowners facing foreclosure due to lack of understanding of their original mortgage, a lack of information about the loan modification process is placing them at additional risk. Stories abound regarding families that have paid thousands of dollars for a loan modification only to be foreclosed. Few understand that simply starting the loan modification process cannot stop foreclosure. Increased public awareness is critical.

HOUSING MARKET ANALYSIS – THE RENTAL MARKET

Renters are an Important Element of a Healthy Housing Market

While much of the national focus has been on increasing homeownership, renters are an equally important segment of the housing market. From a community standpoint, renting provides the opportunity for households to learn more about a neighborhood or community before making a homeownership investment and provides for mobility among the workforce. From a household perspective, renting is chosen over homeownership for a variety of reasons including:

- Renting may be less expensive than owning, especially during the first five years;
- Rental units are maintained and repaired by their owners, so unplanned and sometimes-costly repairs are not the renter's responsibility;
- Less time spent on maintenance and repairs equals more free time;
- Renting carries less financial risk, especially in volatile markets.

Like the homeownership market, the rental market and housing affordability are assessed from both the supply and demand perspectives. The supply side of the equation is measured primarily through the availability of existing units at various rents and vacancy rates. Public Housing and Subsidized Housing are two components of availability. The demand side of the equation is measured through growth in population and employment, waiting lists for Public Housing and the homeownership market as a competitive factor. Rental housing quality and variety influence both sides of the equation. Increasing rental affordability through subsidies, the development of permanent affordable rental housing, and improvements to the aging rental stock are all needed.

The Lowest Income Households Rent

With little ability to save for a future home purchase and few housing units within their reach, most lower income households rent. In 2008, there were an estimated 125,085 renters in Pima County. Nearly two-thirds of extremely low income households rent, compared with one in five middle and higher households.

		2009 Income Range (1)	Total Renters	% of Income Level
Extremely Low	< 30%	Up to \$17,250	23,345	65%
Very Low	30 – 50%	\$17,251 to \$28,750	25,320	56%
Low to Moderate	50 – 80%	\$28,750 to \$46,000	29,575	46%
Middle	80 – 95%	\$46,000 to \$54,625	10,325	37%
Middle to Higher	95% or more	\$54,625 or more	36,530	19%
Total Renters			125,085	

(1) HUD Median Income Estimate = \$57,500 (family of four). Source: HUD CHAS data

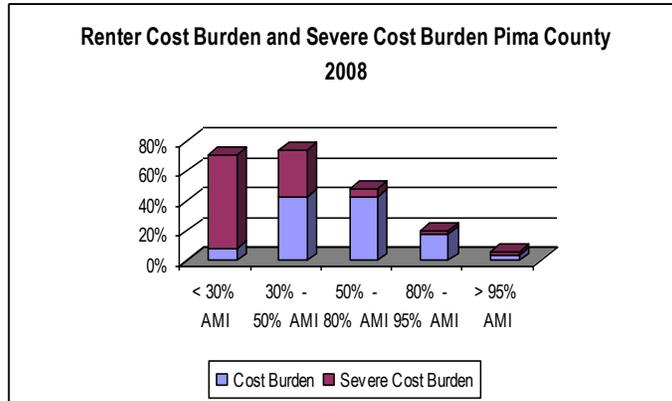
HOUSING MARKET ANALYSIS – THE RENTAL MARKET

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Seven of Ten Low income Renters Are Cost Burdened

Renter cost burden results from numerous factors: low income and few choices in the rental market are the primary factors. Cost burden and severe cost burden are more prevalent among the lowest income renters. Seventy-one percent of extremely low income renters are cost burdened; more than half are severely cost burdened. Three quarters of very low income renters are cost burdened.



	Cost Burden	% income level	Severe Cost Burden	% income level
< 30% AMI	2,060	8%	16,865	63%
30% - 50% AMI	10,725	42%	8,065	32%
50% - 80% AMI	10,870	43%	1,505	5%
80% - 95% AMI	1,815	18%	230	2%
> 95% AMI	1,515	4%	550	2%
Cost Burden Renters	26,985	21%	27,215	21%

Source: CHAS data

Rental Assistance is Essential for the Lowest Income Households

While many units are affordable to median income households, the lowest income renters often pay more than 30% of household income for monthly rent. Rental assistance is one method of providing for increased affordability among low income households. Most rental assistance programs provide assistance that reduces the monthly rent outlay to 30% of household income for households earning less than 50% of the median income. In 2008, extremely low income renters required assistance ranging from \$371 to \$421 per month and very low-income renters required assistance ranging from \$87 to \$200 per month depending upon location.

	Pima County	Tucson	Urban County	Rural County
Median Rent	\$ 718	\$ 674	\$ 923	\$ 821
Median Income	\$ 46,229	\$ 37,936	\$ 66,870	\$ 56,550
% households afford median value unit	80%	70%	91%	86%
Rental Gap (50% AMI)	\$ 140	\$ 200	\$ 87	\$ 114
Rental Gap (30% AMI)	\$ 371	\$ 389	\$ 421	\$ 396

Source: 2006/2008 ACS

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Six of Ten Renters Occupy Housing More than 30 years Old

Renters rely on owners to maintain the properties they occupy. Owners of rental property are generally seeking financial benefit through current income generation, increased property value (appreciation), and depreciation (a tax benefit). All or some of these factors play a role in rental housing maintenance and older rental housing may offer few of these benefits to owners. Consequently, housing quality and occupant safety concerns can multiply when older housing stock is renter-occupied. In 2000, 67,234 Pima County renters (57%) occupied housing built prior to 1980, including 55,410 (62%) in Tucson and 936 (87%) in South Tucson.

One in three renters occupies single-family housing. Because many older single-family and small multi-family units are owned by individuals rather than nonprofit and private corporations, the ability to identify and offer rehabilitation assistance to owners is challenging. While large rental complexes are professionally managed and maintained, many single-family and small multi-family units do not benefit from professional management. Federal income qualification and rent restriction requirements are cumbersome for the owners of single family and small multi-family properties, making this part of the rental stock particularly vulnerable to deferred maintenance.

Overcrowding and Substandard Rental Units

The US Department of Housing and Urban Development measures overcrowding and substandard housing to determine the breadth of housing needs and produces Comprehensive Housing Affordability Strategy (CHAS) data on these two indicators. Substandard housing and overcrowding can lead to health and safety concerns, higher utility costs, and a need for increased maintenance.

Most Rental Units Include Complete Plumbing and Kitchen Facilities

Few rental units are substandard by HUD's definition - lacking complete plumbing or kitchen facilities. One and one-half percent of renters occupy substandard units. The proportion of extremely low income renters living in substandard units is highest –one third of substandard rental units are occupied by the lowest income renters.

	No.	%	% income level
< 30% AMI	625	33%	2.3%
30 - 50% AMI	320	17%	1.3%
50 - 80% AMI	285	15%	1.0%
80% - 95% AMI	100	5%	1.0%
> 95% AMI	540	29%	1.5%
Substandard Rental Units	1,870	1.5%	
Source: CHAS data			

One of Ten Low Income Renters is Overcrowded

According to HUD CHAS data, 7% of Pima County renters live in overcrowded conditions. Overcrowding is most prevalent among renters earning less than 50% of the AMI.

	Overcrowded Renters	% Income Level
< 30% AMI	2,400	9%
30% - 50% AMI	2,410	10%
50% - 80% AMI	2,140	7%
80% - 95% AMI	435	4%
> 95% AMI	1,160	3%
Total Overcrowded	8,545	7%
Source: HUD CHAS data		

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More than 7,000 Affordable Rentals Needed for Extremely Low Income Households

The lowest income renters are the most vulnerable to living in substandard or overcrowded housing units and are at highest risk of homelessness. In 2008 there were an estimated 18,925 extremely low-income cost-burdened renters in Pima County. Many of these renters are employed in low-wage jobs, live on fixed incomes and have physical or personal challenges. Units affordable to this income level would rent for \$350/month or less including utilities, yet there are only an estimated 11,688 units available in this rent range. Consequently, more than 7,000 units that rent for not more than \$350/month are needed for this income category. Considering that the cost of maintaining a rental unit averages approximately \$250/month, providing affordable housing units for this segment of the population necessitates a 100% subsidy.

TABLE 19 - RENTAL UNITS NEEDED FOR EXTREMELY LOW INCOME HOUSEHOLDS

	Income	Affordable Rent up to	Cost-burdened Renters	Affordable Units	Units Needed
Extremely Low Income	Up to \$17,250	\$350/mo	18,925	11,688	7,237

Source: 2006/2008 American Community Survey

Public Housing Expands Housing Choice for Lowest Income Renters

Because the City of Tucson PHA is incorporated into the City's Housing and Community Development Department, it is in a better position than many PHAs to influence and affect affordable housing policies and affordable housing implementation strategies. The Housing Management Division (Public Housing) and the Housing Assistance Division (Section 8 Housing Choice Vouchers) are two of the Department's five divisions.

The PHA addresses the needs of extremely low income, low income and moderate income families in Tucson and Pima County. The Public Housing Division is designated by HUD as a standard performer while the Section 8 division is designated a High Performer. The City's PHA manages 1,505 public housing units and 4,169 Housing Choice Vouchers in Tucson. In addition, the City contracts with Pima County to provide 852 Housing Choice Vouchers outside of the City of Tucson limits. Housing Choice Vouchers are however used throughout the County, regardless of the original grantee.

The City of Tucson uses Capital Fund Program monies to continuously renovate public housing units. Projects from this past year included installation of security doors, bathroom renovation, replacing evaporative cooling with air conditioning, exterior painting, replacing windows with dual pane glass, and initiating soil erosion control. The PHA has partnered with the Tucson Urban League to complete energy audits of public housing units. This has permitted access to energy conservation grant money for improvements, including appliance replacement, conversion of evaporative cooling to air conditioning, and installation of insulation and dual pane windows in units of older construction. To date, 5 sites have benefited from this funding.

The City of Tucson received the Depot Plaza HOPE VI grant to dispose of and redevelop the Martin Luther King building – a 96 unit building for elderly and disabled residents. Construction of the building is estimated to be completed in October, 2010.

Using ARRA Stimulus Capital Grant funding, the Housing Management Division created over 30 projects in public housing units and sites where capital maintenance items had been deferred due to budget constraints. Considering the diversity of the public housing stock, needs vary from improving energy efficiency to upgrading units to ensure long term utilization. Project needs include sealing driveways and parking lots, coating roofs, replacing/ converting HVAC systems, replacing windows, painting building exteriors, and initiating soil and erosion controls. Regular

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Capital Funds will be used to continue completion of larger maintenance projects once the Stimulus funds have been expended.

While the City PHA has done much to address the needs of low-income households in Tucson and Pima County, demand for assistance remains high. There are 2,350 families on the Public Housing waiting list and 3,396 on the Section 8 waiting list. Turnover in Public Housing is approximately 300 families/year, indicating an 8 year wait, while turnover in the Section 8 program is 402 families per year, indicating a 9 year wait. Seventy-five percent of families waiting for Public Housing or Section 8 are extremely low income. For public housing, one half of those waiting have disabilities, slightly more than one third are families with children, and the remaining are elderly. The greatest need is for 1 bedroom units. Nearly all (93%) of those waiting for Section 8 assistance are families with children. The race/ethnicity of waiting families mirrors the race/ethnicity of the population as a whole.

In the upcoming years, the PHA will address the shortage of affordable housing for all eligible populations on the waiting lists. This will be accomplished by maximizing and fully utilizing all available resources and increasing the number of affordable housing units. The agency will expand the supply of assisted housing by applying for additional funding, reducing Public Housing vacancies, acquiring or building units or developments, and leveraging resources through creative mixed-financing. The agency's strategies include funding and staffing considerations, community priorities, and consultation with program participants. Specific strategies include:

- Adopting rent policies to support and encourage work.
- Making use of admissions preferences for families who are working and adopting rent policies to support and encourage work.
- Applying for special purpose vouchers targeted to the elderly.
- Continuing to carry out needed modifications to public housing units based on the Section 504 Needs Assessment for Public Housing.
- When available, applying for special-purpose vouchers for families with disabilities and continuing to market them to local non-profit agencies that assist such families. Housing Assistance (Section 8) will continue to utilize the Mainstream referrals to the waiting list, and will continue referrals for families under Home and Community Based Services.

In addition to the above strategies, the Tucson PHA encourages public housing residents to become more involved in management and participate in homeownership in the following ways:

- Communication between housing staff and participants of the programs are being improved through periodic scheduling of resident meetings and circulation of newsletters. Public Housing participants receive quarterly newsletters that include information regarding new programs, new requirements, and resident services. Additional mailings include meeting invitations, Resident Advisory Board recruitment, and other pertinent announcements. A ROSS Grant activity schedule is also distributed monthly to elderly and disabled residents. All information is translated to Spanish. Communication among Housing Assistance staff, clients, and landlords has improved and remains a priority.
- The PHA continues to work in partnership with Pio Decimo to provide financial literacy classes and Family Housing Resources provides homeownership classes.
- The Section 8 Home Ownership Program (SEHOP) provides an opportunity for low-income Housing Choice Voucher (HCV) holders to achieve homeownership. The PHA has made 40 HCVs available for home ownership. To date 3 HCV holders have utilized their HCV to become homeowners.
- SEHOP/FSS clients are afforded additional down payment assistance from the HOME program as a match to their down payment.
- Staff that work with home ownership clients make them aware of other resources available in the community, including those available through the City's HOME program, Federal Home Loan Bank, sponsors of Individual

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Development Accounts, and products sponsored by the Industrial Development authority such as mortgage revenue bonds and mortgage credit certificates.

The City of South Tucson also has a Public Housing Authority that addresses the needs of households within their city limits. The South Tucson PHA manages 172 public housing units and 132 Housing Choice Vouchers. There are presently 547 households on the combined waiting list.

Subsidized Housing

According to HUD and USDA information, there are 28 subsidized apartment complexes in Pima County – 24 in Tucson, 2 in Green Valley and one in Marana. Eleven complexes serve the elderly, three serve the disabled and fourteen serve families. Of greatest concern with subsidized housing is the potential that the subsidy will expire and the units will be lost from the affordable housing stock. Beginning in 1990, the Arizona Department of Housing required extended use agreements for all Low Income Housing Tax Credit projects. As a result, these projects will retain affordability through 2020. There are however local and state HOME projects with expiring periods of affordability. There are 43 locally-funded HOME units and 3 state-funded HOME projects that will expire during the next five years. In addition, the following seven federally-funded projects, all located in Tucson, will expire during the next five years.

TABLE 20 - EXPIRING AFFORDABLE HOUSING PROJECTS

Expiration Date	Property Name	Type	Assisted Units	Total Units	0BR units	1BR units	2BR units	3BR units
10/31/2012	Campbell Terrace	Section 8 Loan Management	63	90	0	0	63	0
10/31/2012	Council House	Section 202	149	150	0	137	12	0
06/30/2010	Greenview	Section 8 Loan Management	134	136	0	24	64	46
07/31/2012	La Casa de Los Leones	Section 202	36	36	10	26	0	0
06/30/2010	Mayfair Manor	Section 8 Loan Management	139	140	0	20	103	16
06/30/2010	Menlo Park	Section 8 Loan Management	110	110	0	30	40	40
06/30/2010	Shadow Pines	Section 8 Loan Management	99	99	0	20	70	9
04/22/2010	Western Winds	Other Section 8	100	100	0	100	0	0
		Total:	830	861	10	357	352	111

Source: National Housing Trust

BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT

Affordable housing barriers are typically described as regulatory or financial systems that make it harder for developers to create affordable housing. Barriers to affordable housing development can occur at many levels – local, state and federal government, as well as in related industries, including the real estate and financing industries.

According to HUD, a regulatory barrier is "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." HUD created a barriers checklist that identifies possible barriers and acts as a guide to creating local policies to support affordable housing development. Both Pima County and the City of Tucson assessed current barriers to affordable housing development by completing the HUD checklist. Based on the checklist, the following potential barriers exist:

Pima County

1. A separate housing element is not included in the comprehensive plan; however this is consistent with State statutory guidelines regarding County comprehensive plans.
2. Specific building code language regarding housing rehabilitation that encourages such rehabilitation through graduated regulatory requirements applicable to different levels of work has not been adopted.
3. HUD-code manufactured housing is not allowed as-of-right in any zoning district.
4. As-of-right density bonuses are not granted for affordable housing development.
5. Accessory Dwelling Units are not allowed as-of-right and specific standards for conditional use permits have not been established.
6. There is no policy for waiving parking requirements for affordable housing.

City of Tucson

1. The general plan housing element does not provide estimates of current and anticipated housing needs, taking into account the anticipated growth of the region, for existing and future residents, including low, moderate and middle income families, for at least five years. Incorporating data and strategies from this Consolidated Plan will address this barrier.
2. The zoning ordinance sets minimum building size requirements that exceed the local housing or health code.
3. As-of-right density bonuses are not granted for affordable housing development.
4. There is no expedited permitting and approval process for affordable housing.
5. There are no established time limits for government review and approval or disapproval of development permits in which failure to act, after the application is deemed complete, by the government within the designated time period results in automatic approval.
6. There is no policy for waiving parking requirements for affordable housing.

University of Arizona Drachman Institute Analyzes Barriers

In June 2007, the University of Arizona Drachman Institute conducted two barriers analyses – one focused on innovative housing and the other on publicly-assisted housing. Meeting these regulations as they currently exist causes substantial costs in time and money. Not only do some of these regulations currently add no value to projects, they may in fact take away from them as the public subsidy is directed towards covering the incurred costs. Consequently, some portion of the subsidy received for the project is returned to government in the form of fees or transferred to consultants for the services required. It is important to note that not all barriers result not from local processes and ordinances; State and Federal statutes and regulations also present barriers. Five categories of barriers were identified:

BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT

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1. Zoning and Land Use Regulations
2. Regulatory Processes
3. Building Codes
4. Exactions
5. Environmental Regulations

Zoning and Land Use Regulations. These barriers include subdivision regulations such as height restrictions, density limitations, maximum lot coverage, minimum lot size, and minimum setback requirements. Regulations that prohibit more affordable types of housing, such as mobile homes, manufactured housing and accessory dwelling units also represent barriers. One example of this barrier is a developer who planned to build 150 units on 15 acres using an already-approved plan that did not include specific details regarding such considerations as street widths, parking requirements and turning radii. The vision for the project was to build single family homes on small lots to provide affordable housing. While staff supported the vision, specific plan regulations required they revert to the Land Use Code for the development standards that were not specified. The situation made it impossible to build the desired number of units. Waivers and variances were sought, but the time invested slowed the delivery of affordable units to the market.

Regulatory Processes. Barriers in this category include the approval process, regulatory practices and fragmented approval processes. Developers participating in public meetings indicated that the regulatory process is often the most significant barrier they face. One example of how regulatory process barriers may occur at multiple levels of government is the subdivision process. Both the City and the State have slightly different thresholds and procedures for approving subdivisions. The State requires that subdivisions containing more than six units go through a separate approval process, forcing developers to consider the cost of two processes or reducing the number of units to less than six. This particularly impacts developers of small projects, including affordable infill projects that would otherwise take advantage of greater densities, thereby providing more affordable housing.

Building Codes. Antiquated building codes often require the kinds of improvements that may not be necessary, most often in rehabilitation projects. Fragmented building codes in neighboring jurisdictions are also viewed as a barrier as they consume time and effort in learning about local regulations.

Exactions. Balancing the need to support the surrounding neighborhood and community infrastructure needs with the needs of new development continues to be a significant challenge. Construction of infrastructure and public facilities and impact fees are different forms of exactions that have a potentially negative impact on the affordability of housing. All three forms of exactions can diminish affordability since they tend to increase the cost of development. The price tag for the construction of public facilities and infrastructure can take up a substantial portion of the project budget, including the public subsidy. On-site land dedications can also affect affordability because the total cost of the project is divided between a fewer number of units.

Environmental Exactions. Another example is the time and money expended on meeting environmental clearance requirements. When HUD funds are involved, the environmental clearance must be obtained prior to taking any limiting actions. As the environmental review process can take 60 days or more, developers using HUD funding have challenges finding sellers willing to wait while this work is completed.

In addition the reports identified specific barriers that reduce the effectiveness of public subsidies, including rezoning processes, subdivision platting procedures, permit costs, infrastructure requirements in public right of way, density provisions, environmental review and clean-up requirements, and native plant preservation ordinances.

HOMELESSNESS

Addressing the Needs of the Homeless

In 2006, the Tucson Planning Council for the Homeless (TPCH) developed the 10-year Plan to End Homelessness. The TPCH is also the Lead Organization for the Continuum of Care. The Continuum of Care is the methodology followed by organizations utilizing HUD funding to address the needs of the homeless. The homeless face many obstacles to attaining personal safety and security. Many are without appropriate identification and have no credit history. Others have pets who are their only family and abandoning them for shelter is not considered a viable choice. Still others are hampered by crime- and drug-free housing policies that keep them homeless; for many there is no second chance to attain safe, decent shelter or housing.

According to the 10-year Plan, Tucson's Continuum of Care has evolved dramatically over the last two decades. Still, good statistics on homelessness are notoriously difficult to produce, in part because many homeless people do not want to be found, residing in hidden washes, abandoned buildings, and mountain encampments, and rarely, if ever, visiting service providers. The unsheltered homeless population occupies a great deal of Tucson's terrain, and at any moment can be found in multiple alleyways, parks, camps, streets, or feeding sites. There is also anecdotal evidence that homelessness exists in rural Pima County with people sleeping in their trucks or in the desert. Services, however, are almost non-existent outside the metro area. Therefore, the statistics do not capture those in small towns or more remote areas in the vast Unincorporated County.

3,600 Homeless in Tucson

Many individuals and organizations have worked hard to develop a better picture of and address the needs of Tucson's homeless households. Yet by all accounts, Tucson's homeless population has grown in the last decade. On any given day in 1997, University of Arizona researchers estimated that 2,600-2,800 people were homeless in the city. By 2009, during a period of layoffs, the highest unemployment in decades, and a large volume of foreclosures, the daily population had climbed to an estimated 3,600.

Tucson and Pima County currently use the following sources of statistical information to quantify homelessness:

1. The annual point-in-time count of homeless persons and families conducted by the TPCH.
2. Data collected by shelters and service providers that indicates the number of persons served during the past year.

The point-in-time count involves preparations prior to, tasks the day of, and tasks after the count. Prior to the street count, a committee maps out the incorporated areas of the greater metropolitan area of Tucson into geographic quadrants. It determines the number of street count teams needed, recruits volunteers to serve on the teams, and designates experienced individuals as team leaders. Street count teams include members of the Tucson Police Department and Pima County Sheriff's Department, students and staff from the University of Arizona, members of the faith-based community, homeless and formerly homeless individuals, Veterans, and street outreach workers.

According to preliminary numbers for the 2010 point-in-time count conducted on January 26, 2010, there were 1,561 unsheltered homeless - 1,239 adults, 143 youth, and 179 individuals in 29 families. The point-in-time count identified 23 families with children. Of those counted, 49% were considered chronically homeless. Operation Deep Freeze, which provides shelter options for the homeless on nights when the temperature is below 35 degrees, was in effect the night of the PIT count.

HUD Table 1A provides detail on the number of sheltered and unsheltered homeless individuals and families based on the 2009 Continuum of Care. The table also provides a count of sheltered and unsheltered homeless

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subpopulations. Finally, the table identifies the gap between the current inventory of beds by type of housing and the total needs of homeless individuals and families.

**HUD TABLE 1A
HOMELESS AND SPECIAL NEEDS POPULATIONS**

Continuum of Care: Housing Gap Analysis Chart

		Current Inventory	Under Development	Unmet Need/ Gap
Individuals				
Beds	Emergency Shelter	377	0	805
	Transitional Housing	631	0	169
	Permanent Supportive Housing	612	0	183
	Total	1,620	0	1,157
Persons in Families With Children				
Beds	Emergency Shelter	574	0	320
	Transitional Housing	1,009	0	115
	Permanent Supportive Housing	453	0	88
	Total	2,036	0	523

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households):	72	229	7	308
1. Number of Persons in Families with Children	227	740	27	994
2. Number of Single Individuals and Persons in Households without children	560	666	1,351	2,577
(Add Lines Numbered 1 & 2 Total Persons)	787	1,406	1,378	3,571
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	171		759	927
b. Seriously Mentally Ill	479			
c. Chronic Substance Abuse	605			
d. Veterans	429			
e. Persons with HIV/AIDS	154			
f. Victims of Domestic Violence	329			
g. Unaccompanied Youth (Under 18)	15			

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Homeless Facilities and Services Provide Stability

For homeless individuals and families who seek assistance a range of housing and services are needed. Tucson has a number of facilities and a range of services that provide assistance, including:

- 631 emergency shelter beds in 23 facilities operated by 8 organizations, plus several voucher programs;
- 1,694 transitional housing units in 48 locations operated by 16 organizations, plus several voucher programs;
- 977 permanent supportive housing units, including numerous voucher programs and developments at multiple sites operated by 12 organizations.

Attachment 1 includes an inventory of the emergency shelter, transitional housing and permanent support housing facilities available in Tucson and Pima County.

10-year Plan to End Homelessness: A Framework for Helping the Vulnerable

Pima County's 2006 Plan to End Homelessness identifies families with children as comprising a significant portion of the local homeless population. Consequently, the population of unsheltered homeless households with dependant children is one of TPCH's primary targets for outreach. TPCH works with local school districts and Child Protective Services to provide services. In addition, TPCH works in collaboration with the City and County regarding local program design and expenditure of HPRP funds. The City of Tucson also receives Family Unification Program choice vouchers that are used to aid unsheltered households with children.

The Continuum of Care and Ten-year Plan to End Homelessness established goals and priorities in eight categories. The Consolidated Plan Homeless Strategic Plan defines Consortium strategies to support these goals and priorities.

1. Prevention
2. Employment
3. Housing
 - a. Permanent Supportive Housing
 - b. Transitional Housing
4. Private Sector Engagement
5. Transportation
6. Collaboration and Coordination
7. Data Gathering
8. Education

The effectiveness of moving the homeless from shelter to transitional housing to permanent housing is closely linked to employment opportunities within the community. The current economic recession has greatly affected the ability of the homeless to move from transitional housing to permanent housing as one factor in a homeless person's move from transitional housing to permanent housing is the ability to maintain employment. The current economic downturn has caused some in transitional housing to lose their jobs, forcing their early exit from transitional housing and rendering them unable to move on to permanent housing.

Still, the TPCH is working diligently to address the issue. A strategic effort over that past couple of years has focused on expanding community-wide engagement. In early 2009 TPCH formed a multi-sector Task Force that includes TPCH members and the TPCH Partnership to End Homelessness (PTEH). At the end of 2009, the Task Force identified four priority areas to focus on in the next couple of years and recommended a multi-sector leadership body be formally designated to ensure ongoing implementation of the Plan to End Homelessness. The Plan to End Homelessness Leadership Council would include 20-25 members and representatives from TPCH as well as leaders

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from other community sectors. Meeting quarterly, the intent of the Leadership Council is to oversee four workgroups that will work to accomplish goals in four priority areas:

1. Develop improved local data on homelessness, including HMIS, hospital, and first-responder data;
2. Carry out a public awareness campaign to improve understanding and reduce stigma about homelessness;
3. Work with the Regional Call to Action for Affordable Housing to ensure policy and funding for affordable housing -- especially for extremely low-income populations in Pima County;
4. Work with the Fire Department's Human Services Referral Program to continue improving coordination between first responders and homeless service providers (including behavioral health).

Homeless Providers Identify Five Activities That Will Make a Difference

A forum with stakeholders revealed a variety of conditions related to addressing homelessness: institutional structure, prevention resources, emergency shelter, and public education are five primary themes.

Institutional Structure. Challenges with institutional structure revolve around developing a consumer-oriented system. While all agree that such a system is needed, there is no standard definition of such a system nor is there a method for measuring success. Developing a standard definition and performance measurement system is further complicated by competition among providers for scarce resources. Creating a truly collaborative or interdependent system is challenging yet necessary.

Homeless Prevention. Of all the needs and strategies discussed, increasing prevention resources was the one strategy that was most discussed. Yet building support to fund prevention requires an in-depth understanding of the cost of becoming homeless. A model that demonstrates the cost-benefit of preventing homelessness through foreclosure/eviction prevention and related services is needed to support the assertion that funds for prevention are essential. There is widespread belief that refinancing, restructuring and loan modifications are rare and the risk for first-time homelessness is increasingly high among both individuals and families. Prevention education regarding staying physically healthy and developing a personal household budget are also needed. Likewise, a network of resources that provide an opportunity to move at-risk households from higher rent units to lower rent units is needed. While there is an abundance of vacant rental units, households need to know where to access lower-cost units and how to work with their current landlord regarding lease terms and conditions. Landlords willing to accept pets, who are often important companions to the homeless, are essential. Yet stakeholders agree and understand that they must not forget to assist those who are already homeless or in need of permanent supportive housing.

Rental Assistance, including both short-term and long-term assistance as well as security and utility deposit assistance was viewed as perhaps the most needed of activities and it can be an effective prevention strategy. Some populations, such as Veterans, have access to rental vouchers and would benefit most from utility and security deposit assistance. Rental assistance alone is not enough to address the needs of the homeless and at risk, continued supportive services are essential to long-term individual and family success.

Emergency Shelter and Services, including Safe Haven. While politically challenging, the need for additional dedicated 24-hour emergency shelter sites is becoming increasingly critical, especially for those with chronic alcohol and drug addictions and mental illness. Most shelters turn away those who present a risk to others due to alcohol and drug use or mental illness, which often go hand-in-hand. This segment of the homeless population needs a place to stay and detox and no such opportunities are available. One or more Safe Havens are essential for this segment of the homeless population.

Public Education is key to building support for activities that address homelessness. Stakeholders agree that a champion is needed for an effective public education campaign. The campaign must focus as much on success stories as it does on the need. This is necessary to reduce stigma and increase goodwill.

NON-HOMELESS SPECIAL POPULATIONS

Special Populations as defined by HUD include:

1. Elderly and Frail Elderly
2. Persons with Severe Mental Illness
3. Developmentally Disabled
4. Physically Disabled
5. Alcohol/Other Drug Addicted
6. Persons with HIV/AIDS & their families
7. Public Housing Residents

Thirty Percent of Households are Headed by Seniors

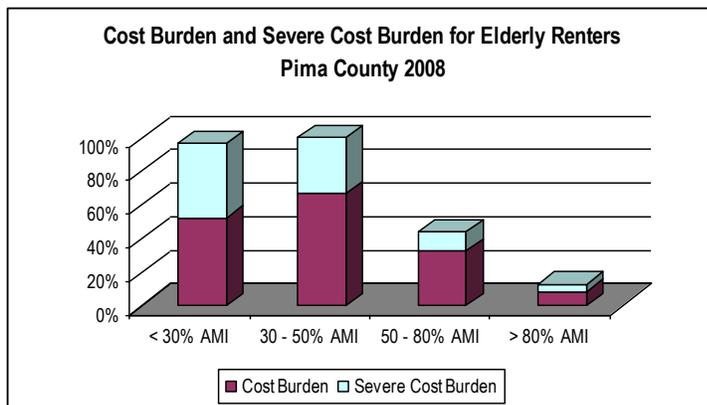
As an attractive place to retire, Pima County is home to many seniors and they now represent 30% of households. HUD CHAS data provides information regarding elderly (age 65 and older) and frail elderly (age 75 and older) households. According to HUD CHAS data, there are 111,325 elderly households in Pima County and 42% are low and moderate income. With limited and fixed incomes, many elderly need assistance with home repairs and modifications. Of the clients served through the Pima County On Aging (PCOA) in 2009, 59% of home repair recipients lived alone, 75% were women, 70% were disabled, and 59% had a monthly income under \$867; all are groups lacking the physical and/or financial resources to perform routine home maintenance, repairs, or adaptations.

One of Ten Seniors Raising Grandchildren

According to the Census Bureau's 2007 American Community Survey, 9,356 Pima County grandparents care for grandchildren under age 18. Older persons can experience significant challenges when caring for younger children – insufficient financial resources, legal challenges, physical and health concerns for themselves, and communication barriers.

Cost Burden Impacts Nearly All Extremely Low income Seniors

While many seniors are low income, most (83% or 92,495) are owners. Among elderly owners, 14% are either cost burdened or severely cost burdened. Nearly all (97%) extremely low income elderly owners are cost burdened, as are 33% of very-low income elderly owners.



Not all older adults can afford to own their own home and those who rent are more severely cost burdened than those who own. Among elderly renters, 34% (6,493) were cost burdened, and 21% (3,880) severely cost burdened. Extremely low and very low income elderly renters are most impacted by cost burden, while very low income households are more likely to be severely cost burdened. This may be due to the availability of permanent supportive housing targeted to extremely low income households.

NON-HOMELESS SPECIAL POPULATIONS

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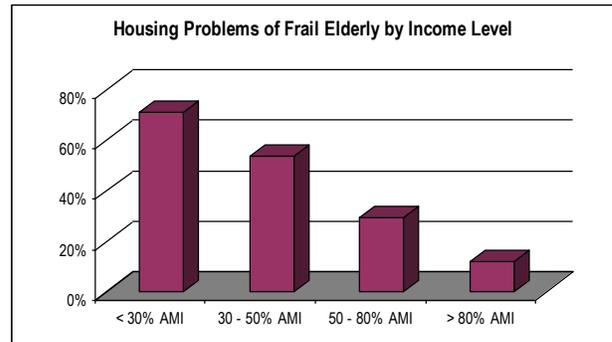
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Frail Elderly Benefit from Housing and Supportive Services

According to the Pima Council on Aging, the fastest growing segment of the aging population is individuals over 85. These are the most vulnerable older adults who tend to need long-term care and whose numbers are expected to double by 2020. In Pima County, the 85+ population increased 214% since 1990 and in Tucson 34%. Although functional loss and disability are not necessary consequences of the aging process, both tend to increase with age due to underlying chronic disease. Fifty percent of people age 85+ have one or more chronic conditions that require assistance with Activities of Daily Living (ADL) such as bathing, toileting, and grooming.

For the purposes of the Consolidated Plan, the frail elderly are considered age 75 or older. While not all elderly over the age of 75 are indeed frail, age does predict the severity of health conditions and the need for supportive housing. Twenty percent of frail elderly are renters. Among the frail elderly, 49% (25,665) were low and moderate income.

Among frail elderly owners, 22% (9,055) had some housing problem, including 25% (2,300) of extremely low income, 32% (2,875) of very low income, and 22% (2,025) of low income owners. These owners might choose to move to rental housing, if affordable units with appropriate services were available.



Supportive Rental Housing is Essential

Housing problems are less severe among extremely low income households due to the availability of permanent supportive housing targeted to this income level. Providing additional supportive housing opportunities is essential to the safety and security of this population. In January 2010, there were 360 seniors on the public housing waiting list and the results of a 2009 PCOA survey showed that there was a waiting list of 252 older adults for HUD subsidized housing apartments and 1,548 for other government funded subsidized apartments.

The Needs of the Elderly Extend Beyond Housing

The National Council on Aging reports that maintaining healthy habits can significantly delay onset of disability and use of fewer healthcare resources. Older adults who regularly take part in top-rated, low-cost physical activity programs can see noticeable improvement in physical functioning and lower their risk of becoming disabled. Increased lower extremity strength was a particularly important finding because lower extremity weakness is a risk factor for future disability and nursing home admission².

Mental health issues impact the elderly. It is estimated that 25% of persons over age 65 have significant mental or behavioral health problems. This includes memory disorders, depression, sleep disorders and substance (alcohol, prescription drug, tobacco) abuse. There is an increase in isolation and depression when frail elders are not connected to services. Often the home delivered meal driver and the homecare worker are the only individuals the elder sees. The suicide rate among Arizonans age 65 and older was the highest among all age groups in nine of the last eleven years. Behavioral Health services are under-appropriated for the adult/aging community and under-utilized by the aging community due to stigma attached to mental health issues.

² Reuters Health News 2009

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Those who care for the elderly are in need of support. According to the PCOA, the typical caregiver is a married woman in her mid-forties to mid-fifties. She works full time and spends an average of 18 hours each week on care giving. Caregivers often experience serious economic losses due to changes in work patterns, including lost wages, loss of health insurance and other job benefits, and lower retirement savings and Social Security benefits. Caregivers' own health may be placed at risk. They are more likely to have chronic health conditions and medical bill problems or medical debt than are non caregivers³.

A lack of support for employed caregivers also has profound effects in the workplace resulting in: higher absenteeism and tardiness rates; workday interruptions; increased temporary replacement costs; productivity reductions due to distractions and burnout; and higher healthcare expenses due to depression and stress.

Seniors as Community Assets

Older individuals are a valuable resource to community. They can utilize their time and expertise to help others and many volunteer and/or participate in the workforce. Workers over 50 are now the fastest growing segment of Arizona's labor force. As the population ages, the combination of more retirees and fewer workers will have a significant economic impact as the younger adult work force will not be able to fill the number of jobs available. By 2040, it is estimated that there will be 2.1 workers supporting each Social Security recipient, compared to 5.1 in 1960 and 3.4 in 2000⁴. Current economic conditions will delay early retirement and increase the need to work among mature workers. Attitudes and expectations about retirement are changing and workplace policies and strategies must also change.

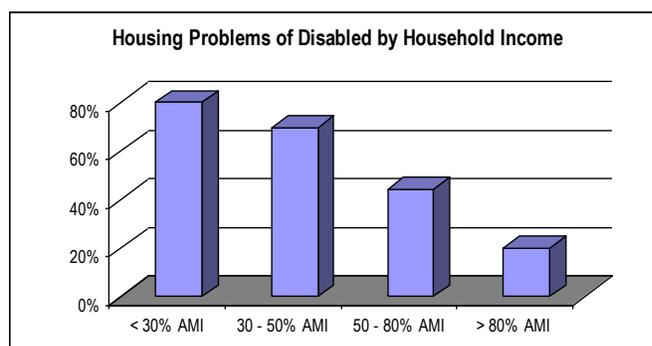
Developmentally and Physically Disabled

One in Ten Householders Disabled

The developmentally and physically disabled have layered, complex needs that demand broad strategies and resources to be effectively addressed. The unemployment rate for the disabled is nearly double that for the non-disabled population and many have unrealized potential that results from inadequate economic and social supports. Organizations that serve the disabled have relied on level funding for the past decade and with budget cuts are particularly challenged to address complex needs.

According to HUD CHAS data, in 2008 there were 38,000 disabled householders in Pima County, representing 10% of total households. Among disabled households, 53% (19,945) are low or moderate income, including 5,410 (14%) extremely low income, 6,640 (18%) very low income, and 7,895 (21%) low and moderate income. Sixty-eight percent of disabled households are homeowners and 32% renters.

Disabled households experience many of the same social, economic and housing challenges as the elderly. In terms of housing, 31% (8,055) of disabled owners and 65% (7,950) of disabled renters experience some housing problem. As is true with all other populations, lower income disabled households experience more housing problems. Among extremely low-income disabled households, 80% (4,325) have housing problems, including 2,745 (51%) renters and 1,580



³ From AARP's In Brief: Valuing the Invaluable: A New Look at the Economic Value of Family Care giving, June, 2007.

⁴ Pima Council on Aging

NON-HOMELESS SPECIAL POPULATIONS

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(29%) owners. Among very-low income disabled households, 69% have some housing problem, including 2,765 (42%) renters and 1,840 (28%) owners. Among low-income disabled households 44% (3,495) have some housing problem, including 1,640 (21%) renters and 1,855 (24%) owners.

Alcohol/Other Drug Addicted

There is limited data beyond that collected through agency reports and homeless counts that quantifies the number of people with chronic alcohol and substance addiction. Approximately 15,000 individuals sought treatment during 2009, many more than once. There are an estimated 605 homeless individuals with chronic alcohol and substance addictions. Many of the homeless are also receiving services or treatment. The unmet need for services is estimated to have remained unchanged since 2005.

Persons with Severe Mental Illness

There are currently 21,453 adults and 8,325 children in the public mental health system in Pima County. Among adults, 4,740 or 22% of those enrolled in the public mental health system are Seriously Mentally Ill as defined by a qualifying diagnosis and disability. The remaining adults have general mental health issues. Many of those with an SMI diagnosis also have substance abuse issues.

The most vulnerable mentally ill are those who do not qualify for the Arizona Health Care Cost Containment System (AHCCCS) program – the State's version of Medicaid. These individuals are particularly vulnerable due to their reliance on private health care or other State systems for needed assistance. Another particularly vulnerable population are those in residential treatment, where resources are declining for room and board.

There are currently 736 independent housing units designated for the SMI. About 1/2 of these units are located at scattered sites throughout the City and County. For those SMI who are seeking housing, significant barriers exist due to crime and drug-free housing policies. In May 2006, Pima County voters approved the sale of \$54 million in general obligation bonds for the development and construction of psychiatric facilities, including a psychiatric hospital and critical care center. These facilities are currently under design.

Persons with HIV/AIDS and their families

The prevalence rate of reported HIV Disease in Pima County is 11% higher than the general Statewide prevalence rate - 235 per 100,000 v. 212 per 100,000. According to the Arizona Department of Health Services, while emergent rates are declining, HIV/AIDS prevalence rates are rising. Rates of HIV/AIDS prevalence and emergence differ sharply between African Americans and other race/ethnicity groups. Currently the emergent HIV/AIDS rate among African Americans in Arizona is more than 4 times that of White Non-Hispanics. This disparity is more pronounced among African American women. The increase in prevalence rates appears to be due to the efficacy of multi-drug treatments for HIV infection, which have sharply reduced HIV-related death.

If current prevalence trends continue, within the next 2 to 4 years the number of persons living with AIDS will surpass the number of persons with HIV infection who have not been diagnosed with AIDS. Because the burden of HIV-related disease is greater among persons with AIDS, treatment, utilization, and continuity of care will become increasingly critical issues.

Housing and services for persons with HIV/AIDS and their families are managed by the Southern Arizona AIDS Foundation (SAAF). The individuals and families served by SAAF benefit from the unique combination of HOPWA entitlement funds through the City of Tucson and HOPWA competitive funds through Pima County. The mission of SAAF is to create and sustain a healthier community through a compassionate, comprehensive response to

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HIV/AIDS. SAAF provides case management, housing, and support services for people living with HIV/AIDS and their families; comprehensive prevention and education programs to reduce the rate of infection; and trainings and opportunities for community members to fill critical roles. SAAF is a member of the Pima County HIV/AIDS Consortium and the Tucson Planning Council for the Homeless. Services and assistance provided by SAAF are based first on the housing status of the individual or family and typically include:

For persons who are not homeless

- Emergency short-term rent, mortgage and utility assistance
- Rental Assistance for tenant-based permanent housing units
- Case management and clinical case management
- Supportive services including permanent housing placement and transportation assistance.

For persons who are homeless:

- Rental Assistance for tenant-based permanent housing units
- Case management and clinical case management
- Supportive services including permanent housing placement and transportation assistance.

The clients served through SAAF are predominantly low income, with 98% of clients living below 80% of area median income, and 69% living at or below 30% of area median income. Based on the 2008 Ryan White HIV/AIDS Program Data Report reflecting data on all clients seen at SAAF in 2008, it is estimated that there are more than 285 households with an unmet housing need at any given time. Low-income people living with HIV/AIDS require subsidies to maintain safe, affordable housing, and a continuum of supportive services in order to access health care and other resources needed to maintain housing stability and access care services.

SAAF is experiencing the impacts of a decrease in federal Ryan White Program Part B funds, creating a strain on the comprehensive services accessed through SAAF as well as the community systems of care. In addition, major programs through HUD and HHS/HRSA are shifting emphasis away from supportive services while the need for supportive services is increasing, especially for those who are low income and/or multiply-diagnosed.

Because resources for substance abuse treatment and mental health services are limited through the State of Arizona. The funds provided through HOPWA for Clinical Case Management are crucial for clients in obtaining and maintaining housing by providing assessment and linkage to resources for substance abuse and mental health treatment.

NON-HOMELESS SPECIAL POPULATIONS

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TABLE 21 - HOPWA NEEDS AND GOALS

	Current Need	Priority Level	5-year Goal	Dollars Needed (5-years)	Sources
Housing Assistance					
Tenant-based Rental Assistance	111	H	77	\$ 2,425,950	HOPWA Formula
Short-term Rent, Mortgage and Utility Payments	145	H	70	\$ 480,000	HOPWA Competitive; Continuum of Care Homeless Assistance
Facility-based Programs	88	H	61	\$ 1,121,050	HOPWA Formula
Units in facilities with operating costs	32	M	22	\$ 522,805	Continuum of Care Homeless Assistance; PRAC 811
Units in facilities with capital funds & placed in service during the program year	0	L	0		HOPWA Competitive; Continuum of Care Homeless Assistance
Units in facilities being developed with capital funding but not yet opened	16	M	0		
Stewardship (developed with HOPWA by no current operation or other costs)	0	L	0		
Adjustment for duplication of households (i.e. moving between types of housing)	0	L	0		
Subtotal unduplicated number of households/units of housing assisted	392		230	\$ 4,549,805	
Supportive Services					
Supportive Services in conjunction with housing activities (for households above in HOPWA or other leveraged units)	425	H	425	\$ 1,026,775	HOPWA Formula
Housing Placement Assistance	0	L	0		
Housing Information Services	0	L	0		
Permanent Housing Placement Services	115	H	115	\$ 250,000	HOPWA Formula
Housing Development, Administration, and Management Services	0	L	0		
Resource identification to establish, coordinate and develop housing assistance resources	0	L	0		
Project Outcomes/Program Evaluation (if approved)	0	L	0		
Grantee Administration (max 3% of total)				\$ 63,070	
Project Sponsor Administration (max 7% of total)				\$ 122,975	
Five year Total				\$10,562,430	

NON-HOUSING COMMUNITY DEVELOPMENT

Non-housing community development needs are those generally related to the needs of people and the needs of the built environment that supports people. This non-housing community development needs assessment is therefore focused in two broad categories:

1. Human Services - also referred to public services in the Community Development Block Grant program, focus on providing for the needs of people, including individuals and families, as well as on economic development.
2. Built Environment - targeted towards the public facilities and infrastructure that make a community sustainable.

Human Services

Human or public services are most often delivered by nonprofit and local government organizations that rely on donations and grants from state and federal government. There is general agreement in the nonprofit and human services sectors that the demand for service has increased. Organizations in Pima County report an increased demand ranging from 20% to 50%. For example, the food bank reports that there was a 40% increase in demand for food during 2009, with an actual increase of 20% in households served. This suggests that while more households need food, the amount of food needed is greater. Those working with domestic violence victims report a threefold increase in domestic violence.

While needs are increasing, funding for government and nonprofit organizations is decreasing. According to a December 2009 conducted by the Arizona Alliance of Nonprofits, revenues were down 22% in 2009 while 80% of nonprofits saw increased demand for services. Six out of ten nonprofits reported a loss of revenues in 2009. Of all sources of funding for nonprofits, government funding dropped the most, down by 25%. This is expected to continue in 2010, as state and local governments slash programs and services that are provided through contracts with nonprofits. Other key findings of the report included:

- 64% of organizations reduced their 2010 budgets to respond to cuts;
- One half of nonprofits had to tap reserves in 2009 to maintain operations;
- Only 13% of nonprofits took on debt in 2009;
- 25% of nonprofits experienced late payments on contracts, such as contracts with government agencies;
- 22% of organizations are exploring or considering mergers or joint ventures with other nonprofits.

Many nonprofits occupy older buildings. Like older housing, these buildings lack energy-efficiency and sustainability improvements that support economic self-sufficiency. The resulting high cost of utilities and maintenance stresses organizational operating budgets and reduces funding available for services. Energy-efficiency and sustainability improvements are needed to reduce operating costs. Investing in this sector of the built environment can also be a catalyst for revitalization and redevelopment.

NON-HOUSING COMMUNITY DEVELOPMENT

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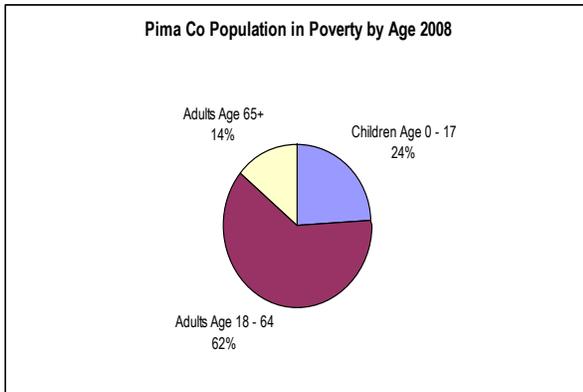
Vulnerable Populations

While HUD recognizes the needs of specific special populations, Tucson and Pima County are also home to poverty-level individuals and families, and a large number of refugees and foreign-born immigrants. Refugees and immigrants have long been attracted to Tucson and Pima County due to plentiful jobs and the resulting possibility of both self sufficiency and prosperity.

Stabilizing households in crisis has long been the focus of most human services programs and this focus continues in these challenging economic times. People in crisis experience isolation, often due to unemployment, and that isolation contributes to depression. In turn that depression leads to the inability to secure and sustain employment or take advantage of job training opportunities and other services. Basic literacy and education regarding how to navigate complex economic and social programs are essential. Policies that promote a sustainable family income, yet recognize the earning-potential limitations of special populations, must be developed.

A full spectrum of services and supports delivered by a system where collaboration goes beyond a written agreement is needed. Effective and seamless services require that the organizations within the human services system are truly inter-related and inter-dependent. A common language and a strong advocacy network must be established to promote understanding of how human services lead to community prosperity. A return on investment analysis of human services spending is essential to continued financial support of the industry.

One in Five People Lives in Poverty



In 2009, the poverty level for a family of four was \$22,050. Poverty is often a cycle of crisis and intervention, and those living in poverty need additional resources to become stable and productive members of the community. Families and individuals living in poverty are particularly vulnerable to a host of housing, social and economic problems. According to the 2006/2008 ACS, 15% of the Pima County population lives in poverty. Of those living in poverty, 14% are seniors, 24% are children and 62% are working-age adults. The large proportion of working-age adults outside of Tucson living in poverty underscores the challenge of finding suitable employment and supportive services outside of the metro area. Many of the children in poverty are not yet school

age. Families with young children are particularly challenged to find appropriate employment or take advantage of education and job training opportunities, often due to limited availability of appropriate transportation and child care.

The poverty rate in Tucson is higher than Countywide - 20% of Tucson's population lives in poverty. Of those in Tucson in poverty, 33% are children, 7% are seniors and the remaining 60% are working-age adults. The highest rate of poverty is among families with children.

NON-HOUSING COMMUNITY DEVELOPMENT
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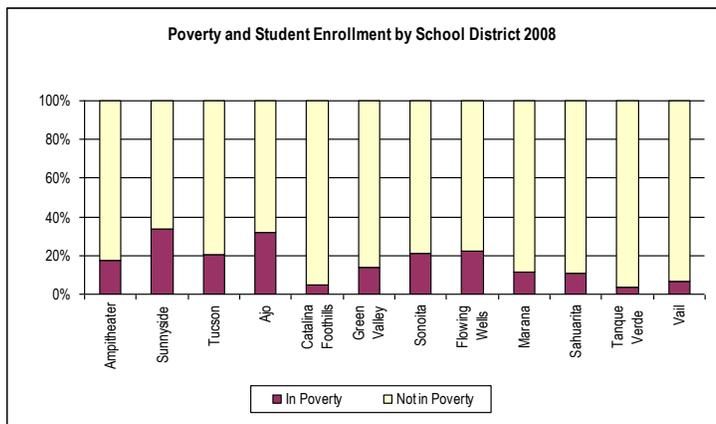
TABLE 22 - POVERTY AND TRENDS IN POVERTY (2000 – 2008)						
People in Poverty	2000			2008		
	Total Pop.	In Poverty	% in Poverty	Total Pop.	In Poverty	% in Poverty
Tucson						
Population	486,591	86,532	18%	543,959	101,509	20%
Children Age 0 – 17	116,566	28,318	31%	124,912	33,598	27%
Adults Age 18 – 64	312,913	51,921	14%	356,265	60,741	17%
Adults Age 65+	57,112	6,293	11%	62,782	7,170	11%
Pima County						
Population	843,746	120,778	15%	1,014,023	148,564	15%
Children Age 0 – 17	203,238	40,606	25%	232,566	50,160	22%
Adults Age 18 – 64	522,600	70,546	10%	636,026	86,390	14%
Adults Age 65+	117,908	9,626	8%	145,431	12,014	8%

Source: Census 2000; American Community Survey 2006/2008 3-yr Estimate

Poverty Among Children Increases

One measure of community prosperity is the well-being of children. From 2000 to 2008, the number of students in poverty in Pima County increased 22% from 26,365 to 32,193 students. At the same time the overall student population increased 8%. For every two students added to the population, one student was living in poverty.

While poverty among students increased, not all school districts experienced the same changes during the decade. Changes in poverty and student enrollment often mirrored changing demographics:



- The Urban County’s retirement-dominated communities experienced reduced or stagnant student enrollment coupled with declines or slow rates of growth in poverty among students.
- The Urban County’s family-dominated communities experienced growth in both student enrollment and poverty. For every 1.3 students added to the population, 1 student was in poverty.
- In Tucson, poverty among the student population increased along with student enrollment, with one student in poverty for every 2.2 students added to the student population.
- In the rural school districts where the proportion of students in poverty was relatively high in 2000, one student in poverty was added for every 2.5 to 3 students added to the population.

NON-HOUSING COMMUNITY DEVELOPMENT
CITY OF TUCSON AND PIMA COUNTY CONSORTIUM
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TABLE 23 - POVERTY IN SCHOOL DISTRICTS (2000 – 2008)						
	2000			2008		
	Student Pop.	In Poverty	% in Poverty	Student Pop.	In Poverty	% in Poverty
Tucson	116,326	23,454	22%	125,690	27,756	24%
Ampitheater	19,965	2,695	14%	21,588	3,778	18%
Sunnyside	17,163	5,870	34%	18,541	6,267	34%
Tucson	79,198	14,889	19%	85,561	17,711	21%
Pima County	36,652	2,911	8%	39,451	4,437	11%
Ajo	596	188	32%	643	204	32%
Catalina Foothills	6,050	236	4%	6,535	307	5%
Continental (Grn Valley)	424	8	2%	352	49	14%
Empire (Sonoita/Rain Villy)	54	15	28%	43	9	21%
Flowing Wells	6,069	1,092	18%	6,532	1,463	22%
Marana	14,059	759	5%	15,192	1,702	11%
Sahuarita	2,084	352	17%	2,251	243	11%
Tanque Verde	2,462	66	3%	2,659	104	4%
Vail	4,854	194	4%	5,244	357	7%
Source: US Census Small Area Income and Poverty Estimates						

Refugees Add to Community Diversity

According to the International Rescue Committee, approximately 10,000 refugees have moved to Tucson since 1975, including 3,000 in the past three years. Recent refugees are coming mostly from Bhutan, Iran, Iraq, Cuba, Afghanistan, and Somalia. Refugees are increasingly singles, although families with as many as 11 members are seen. Refugees are generally an upwardly-mobile population but recent unemployment has changed their prospects for success. While refugees are required to accept any offered job at any pay, employment placement within 6 months has declined from 95% in 2007 to less than 20% in 2009.

Many refugees face homelessness within one month of relocating to Tucson. Refugees receive \$425/person per month for the first 90 days. Thereafter, they must rely on other supports and those supports come from organizations that rely heavily on private donations. Much of the success of these organizations is attributed to volunteers, neighborhood support and cooperation, and landlords who are willing to accept tenants without a Social Security number or credit history.

The primary needs of refugees include education, employment, cultural assimilation and housing. Supportive services such as child care, interpretation or language access resources, medical and health care, assistance with personal finance, and transportation are needed. Organizations that support refugees provide a variety of services: advocacy, relocation assistance, case management, employment services such as job readiness and job search, development of employer relationships and placement networks, ESL education, housing and basic furnishings, education regarding how to engage social and government systems, and mental health services. In the past six months, fifty households have been referred to public housing; seven are on the elderly/disabled waiting list.

NON-HOUSING COMMUNITY DEVELOPMENT

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Organizations that assist refugees made several strategy suggestions:

- Development of a community garden to promote independence and social networking;
- Adding refugees to the Pima County housing search engine to increase the likelihood of a positive tenant-landlord match;
- Acquisition of small multi-family properties;
- Resources to support direct leasing of rental units by agencies serving refugees;
- A community center that is open and available for refugee and community activities.

Fear and Misunderstanding Disempowering for Immigrants and Agencies

The number of immigrants is more difficult to quantify than that of refugees. Many migrate from Mexico without appropriate documentation and are therefore not counted in the Census. Recently-enacted State laws combined with a slowing economy have anecdotally resulted in many immigrants, both legal and illegal, migrating back to Mexico or into hiding. Many long-term immigrants have lost their housing due to employment loss. School enrollment suggests that out-migration is likely.

Just as the actual number of immigrants is difficult to quantify, so too are mixed status families or those where one or more members are documented while others are not. Like undocumented immigrants, mixed-status families face many challenges. The greatest challenge is fear that undocumented family members will be recognized and deported, separating the family.

Immigrants are particularly vulnerable to abuse by landlords. Those who purchase small trailers and rent space, often live in Colonia-like conditions and are among the most vulnerable. Written rental agreements are rare and cash payments common. Abuse occurs when the landlord unexpectedly demands a higher rent and takes the trailer and all household belongings as collateral while calling the Border Patrol. These immigrants then become homeless or are deported. Eviction due to an ever-changing rent is frequently seen.

Fear and misunderstanding are disempowering not only for immigrants but also for the people who serve and employ them. Confusion abounds about required documentation in all sectors – public, private and nonprofit. Many employers and public and nonprofit service providers are requiring excessive information to ensure compliance, further exacerbating the fear and confusion.

Stakeholders suggested strategies to address the needs of immigrants, including:

- Educate individuals, families, the business community, property managers, and nonprofit organizations regarding how to comply with immigration laws while providing opportunities for immigrants to assimilate.
- Support education of immigrants regarding Constitutional Rights, how to legally immigrate, deportation, and positive interactions with landlords, employers and law enforcement.
- Support community-based volunteers that assist like-situated individuals and families to understand how to navigate social and economic systems. Supporting promotores, those who assist new immigrants with the social and economic challenges of assimilation is essential to success. Refugees would likewise reap the benefit of mentors who have migrated from their homeland.
- Support the delivery of social and economic education through established systems such as Head Start and school systems.

Domestic Violence Increases with Economic Downturn

The relationship of economic stress and domestic violence is well documented. According to recent studies funded by the US Department of Justice (DOJ), domestic violence increases under economic stress. DOJ reports indicate that:

- There is a strong relationship between couples worried about finances and the likelihood of intimate partner violence. The violence for couples experiencing low levels of subjective financial strain was 2.7% compared to 9.5% for couples experiencing high levels of subjective financial strain. Repeat victimization of women is also more frequent in couples feeling financial strain.
- Unstable employment increases the risk of intimate partner violence. For couples where the male was always employed, the rate of intimate partner violence was 4.7%. When men experienced one period of unemployment the rate rose to 7.5% and when men experienced two or more periods of unemployment the rate of intimate partner violence rose to 12.3%.
- Violence against women in intimate relationships occurred more often, was more severe and was more likely to be repeated in economically disadvantaged neighborhoods. The rate of intimate partner violence in economically disadvantaged neighborhoods is 8.7% compared with 4.3% in more economically advantaged neighborhoods.

Organizations that serve victims of domestic violence (DV victims) report that women with multiple children are the last to be served due to limitations in shelters and other housing. It takes DV victims from 3 to 6 months to move through crisis and be ready for transitional housing and related support services. Eighty-seven percent of DV victims are unemployed, and identification such as a social security card or birth certificate must often be obtained before employment is even possible. Linkages with employment programs, such as the YWCA Y-Works program are important elements of moving DV victims from safety to prosperity.

The cost of shelter is currently \$57/night and budget concerns are multiple. The State is not mandated to provide services for victims of domestic violence, making this population extremely vulnerable to state budget issues, and there is no federal match for domestic violence programs. The biggest funding gap, and therefore the biggest service gap, is for the time between initial crisis and readiness for transitional housing.

Feeding the Hungry

The Community Food Bank serves Pima County and Southeastern Arizona. The Food Bank provided approximately 175,000 to 200,000 comprehensive nutrition packages to households during 2009. Food is distributed at locations throughout Pima County, with the largest distribution center and warehouse located in Tucson. During 2009, the Food Bank expanded their service area outside of Pima County to include other Southeastern Arizona counties. This expansion provided an opportunity to secure and distribute fresh produce, meeting the goal to provide more comprehensive nutrition. The Food Bank relies heavily on private donations.

Economic Development

Economic development needs are generally recognized through the inter-relationship of employer and business development activities and workforce development activities. Effective economic development strategies address both. Economic development is focused on five primary economic development needs throughout the Tucson region:

1. High-skilled, high-wage jobs;
2. Educational excellence;
3. Urban renaissance;
4. Livable communities; and
5. Collaborative governance and stewardship.

Pima County's current workforce system is a compilation of various employment and training programs that include Federal JTPA (WIA) programs, State programs such as Job Service, Rehabilitation Service, and JOBS, and locally funded youth programs such as Pledge-A-Job, the University of Arizona, Pima Community College, several K-12 districts, adult education, and community-based organizations, proprietary schools, and employers. WIA programs have experienced a reduction in federal program funding. This federal reduction combined with reduced State funding and local revenues comes at a time of increased demand for services.

Workforce Development Needs are Extensive

The County's One Stop Career Center System consists of six centers, several of which are targeted at specific populations such as the homeless, teens, dislocated workers, or welfare recipients. Available services include assessment, career counseling, case management, job development, basic education, English as a Second Language, on-the job training, incumbent worker training, and vocational training. Workforce Investment Act Title I funds are used for economically disadvantaged youth, adults, and dislocated workers. All of these centers are located in Tucson, making it particularly difficult for rural residents to take advantage of opportunities. And while the system does have on-line access, not all rural populations have the necessary telecommunications infrastructure.

Workforce needs are generally divided into two categories – youth in transition and adults. Among youth, primary workforce development needs include developing skills that meet business market needs, connecting learning to work throughout the education system, youth development and basic skills such as citizenship, leadership, community service, adult mentoring and other support services, and optimizing opportunities by providing alternative pathways to success for the gifted and talented as well as for the disadvantaged.

Among the adult workforce, needs are extensive and include matching services to the worker and the employer, helping individuals identify barriers to success in gaining and retaining employment, developing individual solutions and appropriate supports, and providing employers with ready access to information. Besides skill specific training, barriers faced by the adult workforce include housing, childcare, drug and alcohol treatment, remedial and basic skills, technology literacy, language, transportation, medical care, workplace protocol skills, clothing, tools, and support during the trial service employment period.

The Tucson Regional Economic Opportunities (TREO) has developed an economic development strategy for the greater Tucson area entitled "Securing Our Future Now: An Economic Blueprint for the Tucson Region" (Blueprint). The Blueprint recognizes that labor market issues are critically important as Tucson readies for a high-skill and high-wage economy. Without a highly trained and better educated workforce, the region will not be prepared to either accommodate the labor demands of existing employers or attract the best companies to the area.

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In the short term, accelerated skills training will be essential to getting workers ready for existing high quality jobs in the region. For the longer term, positioning the region as a leading knowledge-based center with highly educated youth and future workforce talent relies upon the success of the K-12 education system. While the region is blessed with excellent higher education resources, critical decisions lie ahead in terms of how to: 1) align educational resources and assets to employer-identified needs, and 2) provide better linkages to connect high school students with higher education and training opportunities.

The region's two largest manufacturing industries, Computer/Electronic Products and Aerospace Products/Parts, are expected to remain vitally important to the region's economy. However, manufacturing employment, following the national trend, is expected to account for a smaller percentage of new job growth.

Creating a Competitive Business Environment

Opportunities in technology/innovation-based business development, integration of The University of Arizona into Tucson's economic development strategy, population growth through migration from other areas, leadership development and expanded development of new entrepreneurial ventures are prime opportunities. To take advantage of these opportunities, the region must address some major challenges including negative perception of its public K-12 education, crime rates, downtown Tucson, infrastructure, real estate capacity, and retaining and attracting a talented workforce. These challenges combine with the broader challenges of sustaining the commitment to long-term economic development planning, and future water availability and use. Economic Development in Pima County is funded primarily by a bed tax. Decreased tourism has resulted in decreased bed taxes and a reduction in the amount of resources available for economic development.

Collaboration, leadership and investment are key to producing and implementing an economic development plan that supports a prosperous community. Building on existing strengths - higher education resources, cultural diversity that includes a mix of Native American, Spanish, Mexican and Anglo influences, quality of life, natural environment, authentic historical and cultural resources, leisure and recreational assets, defense-related facilities and strategic geographic location with proximity to Phoenix, Mexico and high population centers in Southern California – is the place to begin.

While economic development strategies are often targeted to large businesses and clusters, small businesses including home-based businesses are a growing part of the local economy. Many of these small and home-based businesses access technical assistance currently available from the Small Business Administration and Local Microbusiness organizations, yet access to additional capital is essential to long-term sustainability. Strategically investing in small and micro-businesses is an opportunity to create additional jobs while growing an important segment of the local business economy.

Reduced Government Revenues Force Difficult Decisions

Within each community development sector – housing, human services, economic development and community development - barriers to addressing needs are well documented. Perhaps the greatest barrier during the next five years is funding, particularly that flowing from State government. Public and private agencies rely heavily on State funding and programs to address the broad spectrum of needs. Reduced funding of State programs resulting from the economic downturn and a State budget crisis has a significant negative impact on individuals and families and the ability of the Consortium to leverage resources and have a positive impact. The State legislature continues to deal with a projected \$3 billion deficit and revisions to budgets and programs continue to be made on an on-going basis. The actual State budget and its impacts on communities and families are not yet clearly defined. However, in response to proposed budget cuts, State agencies prepared reports that outline the impacts of the budget cuts on a statewide basis. These reports indicate the following:

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Reductions in the State Housing Trust Fund may have the following effects:

- Loss of match and leverage resources for millions of dollars of competitive funding.
- 238 SMI individuals annually will not receive rental subsidy assistance;
- 7 housing units a year will not be purchased for permanent housing for the SMI population;
- 2,000 or more households will suffer eviction or foreclosure annually. Those with no other alternatives, such as family or friends to take them in are expected to become homeless, creating additional burdens on other public systems.

Reductions in Social Services Program may have the following effects:

- Families with disabled members will pay health care deductibles and pay a greater proportion of SSI for state-funded residential care;
- 20% reductions in child-care and foster care subsidies and the implementation of a waiting list for child care subsidies for households with more than one child will lead to job loss for families reliant on child care subsidies;
- 1,300 Pima County residents will transition to new case managers with increased workloads;
- Over 1,000 households where grandparents are caring for grandchildren will lose assistance;
- Eye exams, eyeglasses and eye care for over 9,000 low-income people will not be funded;
- 10,000 families and 17,000 children will have TANF benefits reduced from 60 months to 36 months;
- 1,600 victims of domestic violence will lose access to shelter services;
- Independent living assistance for approximately 700 seniors will be reduced or eliminated;
- 127 developmentally disabled adults will lose residential services, essentially rendering these individuals homeless.

Reductions in Health Care programs will have the following effects:

- 47,000 children in households with incomes between 100% and 200% of the federal poverty level will lose health insurance;
- Hospitals that serve low-income populations will receive reduced subsidies.

Reductions in Economic Development programs will have the following effects:

- Curtailing the ability of the State to work with the Department of Defense on military installations;
- Delaying or eliminating technical assistance to program sponsors, including individual businesses and employer organizations developing apprenticeship programs;
- Eliminating incentives and assistance to retain, expand, or locate international businesses in the state.
- Reducing economic development initiatives;
- Eliminating financial assistance for the retention, expansion or location of qualified business projects.

The State's budget crisis is severely impacting the ability of local government to implement services and programs. For Pima County, the negative impact (not considering pending State legislative action) includes numerous reductions that are the result of the slowed economy and housing market. Excluding primary property tax revenue, the County's 2009-2010 budget is 10.8% or \$21.4 million less than 2008-2009. Budget projections for future years indicate fewer revenues as the statutory process to amend the property tax base, which lags one year behind and is based on prior-year values, takes effect. Other decreases stem primarily from the following conditions:

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- State Shared Sales Tax - 15.1% decrease reflecting reductions in consumer spending and taxable new construction.
- Vehicle License Tax – 11% decrease reflecting the continued decrease in new car sales and less immigration of new residents into the state bringing vehicles that require new registration.
- Business Licenses and Permits Revenue – 17% decrease due to reduced installation of cable services in new and existing homes.

The City of Tucson is facing similar budget problems. Budget reductions are expected during both 2010 (\$31.85 million) and 2011 (\$35.9 million). For 2010 declining revenues include:

- 8% decline in Local Sales Tax revenue;
- 15% decline in State Sales Tax shared revenue;
- 12% decline in State Income Tax shared revenue;

Both Pima County and the City of Tucson have relied on ARRA funding to fill budget deficits and to continue needed services and programs. In addition, staff reductions, reduced administrative funding and the elimination of programs and services that are not considered essential have filled part of the gap. Identifying and applying for additional resources is necessary to continue essential services and attain Consolidated Plan goals. Yet, with staff reductions, reduced general funds and limited administrative budgets, the ability of the County and City to attract additional resources through grant writing and competitive programs will be further limited.

City of Tucson Community Development Needs

In addition to human services and economic development, there exist many needs to support the built environment. The City's priority non-housing community development needs, proposed accomplishments, time period, and annual program year numeric goals are specified in the Community Development Needs Table. Priorities were selected based on:

1. Existing Capital Improvements Programs (summarized below);
2. Housing and related (economic development, human services, economic development) needs of low- and moderate-income persons identified through the housing market analysis and stakeholder meetings.

The City of Tucson's adopted 2010 – 2014 Capital Improvements Plan includes eight categories of public improvements:

1. Environmental services
2. Fire
3. General services
4. Housing and Community Development
5. Parks and Recreation
6. Police
7. Transportation
8. Water

The Environmental Services Capital Improvement Program (CIP) consists of projects that fulfill the city's need to safeguard the community from environmental impacts, create future landfill capacity, and comply with environmental protection regulations. These projects directly reflect the city's efforts to enhance neighborhoods and downtown by restoring the natural environment and removing environmental barriers to redevelopment. The five-year program of

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\$34.2 million is funded with \$2.3 million from the 2000 bond authorization, \$2.8 million in Environmental Services funds, \$24.0 million from certificates of participation, and \$5.1 million from a possible future authorization of bonds.

This Environmental Services CIP is focused on landfill closure, construction and remediation. Buffer and drainage improvements and the construction of new lined cells at the City's only open landfill is one priority. Another priority is the assessment and remediation of soil and groundwater contamination at city-owned and/or operated landfill sites.

The Fire Department's Capital Improvement Program (CIP) establishes improvements needed to sustain adequate levels of emergency services for fire protection and medical needs. The five-year capital program of \$9.4 million is currently funded with \$8.0 million in capital improvement funds, which involve non-bond financing, \$1.0 million in stimulus funds, and \$420,400 in 2000 general obligation bond funds and bond interest. Major projects in the five-year CIP include a new facility to house Fire Station 1, Administration, Emergency Management, and Fire Prevention offices, and land acquisition for future fire stations

The General Services Capital Improvement Program (CIP) of \$6,665,900 has only one project: the Clean Renewable Energy Bond (CREB) funded installation of Photovoltaic solar panels on seven city-owned facilities. The electricity generated by these panels will be fed into the Tucson Electric Power (TEP) grid and will reduce the City's electric bills at these sites. In addition, TEP will pay the City for the electricity generated, which will help pay for the solar equipment. This solar project will reduce the City's carbon footprint and help reach the goals set forth in the Sustainability Framework recently adopted by the Mayor and Council and continue Tucson's role as a recognized Solar America City.

The Housing and Community Development Department's Capital Improvement Program (CIP) consists of two projects. The department's five-year CIP is funded with \$9.7 million from the Highway User Revenue Fund, \$6.3 million in Community Development Block Grant funds, \$2.4 million in federal grants, \$1.1 million in Pima County Neighborhood Reinvestment bonds, and \$0.2 million in General Fund: Earned Revenue (revenue from the department's housing programs that is reinvested in those programs).

- Design and construction of Back to Basics projects. As directed by Mayor and Council, new funding for the Back to Basics project has been suspended for Fiscal Year 2010 due to the current economic downturn. The funding available in Fiscal Year 2010 is carry-forward from Fiscal Year 2009 from prior year projects. Funding for Fiscal Years 2011 through 2014 is pending annual appropriation decisions.
- Construction of resident amenities at the new Martin Luther King, Jr. apartments, including computer room, exercise room, recreation room, clinic, secured lobby, tenant council meeting space, and lounge, terrace, and patio areas.

The Parks and Recreation Department's Capital Improvement Program (CIP) is based on the Parks, Recreation, and Open Space component of the city's General Plan, the adopted City of Tucson Parks and Recreation Ten-year Strategic Service Plan, and Mayor and Council direction. The CIP implements Mayor and Council policy by developing facilities that provide for family, youth, and senior adult recreation, while supporting inner-city revitalization, public art, and using arid and semi-arid landscaping wherever possible to conserve water. The five-year capital program of \$46.1 million is funded primarily from Pima County bonds, Capital Improvement Funds (certificates of participation), and the City's general obligation bonds. The budget includes capacity for the zoo expansion, potential Pima County Neighborhood Reinvestment projects, and projects funded by impact fees.

The Tucson Police Department's (TPD) Five-Year Capital Improvement Program (CIP) consists of a project to enhance the department's commitment in providing the community with quality forensic science and excellent service. The project will provide much needed space for staff by designing and constructing a new crime laboratory.

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Transportation's Capital Improvement Program (CIP) of \$605.5 million funds improvements for a multimodal transportation system and infrastructure designed to attract industry and protect neighborhoods. The program is divided into five areas: Streets, Drainage, Street Lighting, Traffic Signals, and Public Transit. Regional Transportation Authority (RTA) supported projects are included in the Streets, Traffic Signals, and Public Transit elements.

- **Streets.** The Streets Program of \$375.2 million will upgrade the arterial, collector, and residential transportation network, including streets, sidewalks, and bikeways, with the primary goal of maintaining an arterial street system that permits a safe and an unimpeded flow of traffic. The program is funded primarily from RTA funds, HURF revenues allocated by the Pima Association of Governments, federal grants, and Pima County bonds.
- **Drainage.** The Drainage Program of \$26 million emphasizes the protection of neighborhoods and naturally-vegetated watercourses. Projects are funded with general obligation bonds.
- **Street Lighting.** The Street Lighting Program of \$786,200 constructs street lighting and sidewalk improvements, converts overhead circuits to underground circuits, and upgrades existing conductors and poles. Projects are funded from Pima County bonds and the City's general obligation bonds.
- **Traffic Signals.** The Traffic Signals Program of \$8.5 million constructs traffic signals, signal systems at schools, and pedestrian crossing improvements; upgrades the computerized traffic control system; and continues support for the state's Freeway Management System, deployment of Intelligent Transportation System, and the Regional Transportation Data Network. Projects are primarily funded with federal grants and RTA funds.
- **Public Transit.** The Public Transit Program of \$218.5 million replaces and upgrades fleet vehicles, and constructs facilities to support transit operations, including Park-and-Ride facilities. The five year program is funded primarily with RTA funding: \$85.3 million for the Modern Streetcar, \$18.6 million for expansion buses, \$9.7 million funding for the Sun Tran Maintenance Facility, \$7.8 million for the Regional Seamless Fare System and Rebranding Program, and \$5.1 million for park-and-ride lots.

Tucson Water's Capital Improvement Program (CIP) is a cornerstone in a long-term water supply plan for the community. The CIP will significantly assist in attaining safe yield in the Tucson basin, balancing groundwater pumping with natural replenishment of the aquifer. The five-year program reflects the city's leadership in water resource management through the prudent use of groundwater, Colorado River water, and reclaimed water.

The five-year capital program of \$276.4 million includes improvements to both the potable and reclaimed water systems. The program will be funded with a combination of water revenues, revenue bonds, and water system obligations. The Tucson Water CIP is divided into two program groups: Potable Water System and Reclaimed Water System. Improvements to both water systems will ensure that: potable and reclaimed customers are provided high-quality water; the water supply is reliable; and the safe yield and assured water supply requirements of the Arizona State Groundwater Management Act are met.

Further investment in planning is also needed. Tucson is beginning the process of updating its General Plan. This process is currently scheduled for completion in Fall 2011. Incorporating the goals and strategies of this Consolidated Plan into Land Use, Transportation and Housing Elements of the General Plan will assist the City in strategically addressing the needs of low and moderate income households and neighborhoods. Other planning is essential to the implementation of Consolidated Plan strategies. For example, Downtown Revitalization planning is needed to support affordable housing, economic development and connectivity goals; and Neighborhood Visioning is needed to support the unique characteristics of neighborhoods while building to a common community vision.

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City of Tucson Obstacles to Meeting Underserved Needs

The primary obstacles to meeting underserved needs in the City of Tucson include:

1. Increasing needs;
2. Increasing demand for services and facilities;
3. Reduced human and financial resources.

Pima County Community Development Needs

The needs of rural areas are diverse yet common and many of the issues faced by those living in urban areas are multiplied for the rural population. Geographic isolation, the concentration of services in Tucson, and limited funding lead to a variety of needs:

1. Transportation
2. Streets and Flood control
3. Organization capacity
4. Health care
5. Child care
6. Recreation
7. Water and Wastewater
8. Public safety
9. Employment and Job training
10. Human Services and Poverty
11. Affordable Housing and Homeless Shelter

Transportation. The need for transportation is overwhelming. Employment, job training and other services are concentrated in the more heavily populated urban areas and public transit is limited. Even when transportation vouchers are available, service is limited. Door-to-door service for the elderly and disabled is generally unavailable. In some areas, the elderly and disabled must find a ride to available services, while in other areas they must rely on neighbors and family for transportation to and from medical and other appointments. The employed and those who wish to take advantage of job training and related opportunities must commute and the cost of transportation consumes a large part of the household budget. Job opportunities in home health and related home-centered occupations are available, yet non-traditional work hours require transportation with non-traditional schedules or on-demand hours.

Streets and Flood Control. Transportation goes beyond making people mobile. It also must consider the safety of streets and roadways. In some areas, bridges are needed while in others paving, street signage and speed control are essential to public safety. The need for safety is multiplied for school bus routes. In some areas, flooded washes make it impossible for school buses to safely access children.

Organization Capacity. Many who work in the housing, human services and community development industries in rural areas are stretched thin. Long hours and limited budgets require a great deal of personal passion and sacrifice. Organizational support is essential to the sustainability of services and the ability to appropriately utilize the many mobilized and community-minded volunteers who provide that support.

Health care. The availability of health care in rural areas is often limited. Specialized and diagnostic services, especially for seniors with unique health care needs related to aging are generally not available. School-based clinics provide health care to school-age children and obstetricians have free and low-cost clinics to ensure adequate pre-natal care. In most areas residents may access health care through mobile health clinics that provide services

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several times per month, yet transportation to and from those clinics remains an issue for many in need of health care.

Child care. Providers who are certified and available during non-traditional work hours are needed for the children of both the employed and those wishing to take advantage of job training opportunities.

Recreation, including Community Facilities. Community centers and parks, as well as schools, are often the hub of activity and community recreation in rural areas. Nearly all rural areas have some recreational services or facilities, often staffed by volunteers. Yet the need for youth programs, parks, and community center expansion, rehabilitation and development remains. New ways of viewing how community centers are utilized must be developed to ensure long-term sustainability. Co-location of community services, such as food banks, nonprofit organizations, and public safety substations could provide the needed revenue to ensure sustainability. So too could school sites provide an alternative for recreation and community activities.

Water and Wastewater. In many rural areas households rely on individual water and septic systems. In other areas, public and private systems serve water and wastewater needs. Water quality is a concern in many areas, especially those where testing is the responsibility of the owner and water quality is not regulated. For those areas with public or private systems, both technology and infrastructure may be outdated or obsolete. Old pond systems in some areas impact water quality as aquifers and rivers absorb effluent. System improvements are essential to public health in these areas.

Public Safety. Rural areas are generally served by the Pima County Sheriff's Office, Fire Districts and volunteer fire departments. Fire departments, both district-sponsored and volunteer are in need of hydrants, equipment and EMT/ambulance support to ensure public safety.

Employment and Job Training. In many areas, employment opportunities are minimal, requiring a commute to other areas to work. Yet there are some growing industries and occupations, primarily health care and in-home social supports. Providing support for job training, transportation and related employment needs represents an opportunity to create sustainable rural communities, yet there are no One-stop employment centers outside of the City of Tucson.

Human Services and Poverty. Poverty is common in many rural areas and pockets of poverty exist in nearly every rural community. Surveying and documenting pockets of poverty is essential to appropriately targeting limited public resources. Beyond the pockets of poverty in rural areas, individual households are in need of human services and programs. Education regarding how to access and navigate complex social and economic systems, including the health care system, is essential. In home services for the elderly and disabled, assistance to the many grandparents who are raising grandchildren, and housing and services for the estimated 100 to 150 chemically sensitive individuals living in rural areas were identified as critical needs. Food banks are also needed in many communities.

Housing and Homelessness. Rapid development late in the housing boom has created a housing crisis in many rural areas as vacancies and foreclosures rise. In some rural areas, the incidence of foreclosure is double that of urban areas and in other areas rental assistance is needed to alleviate homelessness risk. For example, Green Valley (a community of about 17,000 people) reported that 225 households were turned away from a privately-funded rental assistance program in 2009. Still other rural areas have a significant volume of older and manufactured housing that is in need of rehabilitation. The homeless in rural areas often live in cars or camps on the edges of more developed areas. While the rural homeless are not hidden, they are exceptionally difficult to count. Project Action is working to serve the rural homeless and those at risk of homelessness, yet support for administrative systems and data collection are needed. Project Action is the name for the Homeless Prevention and Rapid Re-Housing Program that is a collaboration between the City of Tucson and Pima County. Project Action provides case management and financial assistance, credit repair counseling and legal aid to clients who would be homeless without this support.

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Strategies suggested by Rural Stakeholders include:

- Partner with schools to provide additional youth and community services.
- Provide support for volunteer programs, many of which are already well mobilized.
- Support prevention resources and education, including referral services, transportation and personal/household financial/budgeting.
- Support capacity building in rural areas to encourage sustainability of existing services and programs.
- Support volunteer education and services.
- Adaptive and extended reuse of Pima Community College facilities in Green Valley for needed community services.
- Continue support for food banks and nutrition programs; addition of support for community gardens and local farmer's markets.
- Support local small business enterprises, such as farmer's markets and community gardens.
- Support documentation of homeless and prevention services and data collection.

Pima County: Redeveloping Brownfields

In communities across the United States, both rural and urban, the legacy of the country's industrial past now lays dormant in areas where once vibrant industrial and commercial districts existed. A Brownfields is a site that has actual or perceived contamination, yet these sites have potential for redevelopment and reuse. Previous uses such as gas stations, manufacturing sites or industrial facilities, are now abandoned paved lots, derelict buildings, and home to rusting equipment. These sites are often deemed a liability due to the "potential" of perceived contamination that hinders their reuse and redevelopment. Through federal and state Brownfields initiatives, Pima County is taking a lead to successfully redevelop these areas with the collaboration of private developers, non-profit agencies, financial institutions, insurance companies, and community activists.

Pima County has identified multiple Brownfields sites and is in the process of planning for and implementing remediation of two – Flowing Wells and Ajo. Additional sites may be identified, and resources to address their redevelopment will be essential.

Pima County Obstacles to Meeting Underserved Needs

The primary obstacles to meeting underserved needs in Pima County include:

1. Large geographical area;
2. Increasing needs;
3. Increasing demand for services and facilities;
4. Reduced human and financial resources.

LEAD-BASED PAINT NEEDS ASSESSMENT AND STRATEGY

Childhood Lead Poisoning is a Serious Pediatric Health Problem

Children ages six years old and younger are particularly susceptible to lead poisoning. Research indicates that even a low level of lead in a child's blood can have harmful effects on physical and developmental health. The most common source of exposure is deteriorating lead-based paint and lead-contaminated dust found in the home, but other sources include pottery, jewelry, candy and makeup. The use of lead-based paint became illegal in 1978, so housing built before 1978 may contain some lead-based paint since the use of lead-based paint became illegal that year. Since the amount of lead pigment in the paint tends to increase with a home's age, older housing is more likely to have lead-based paint hazards.

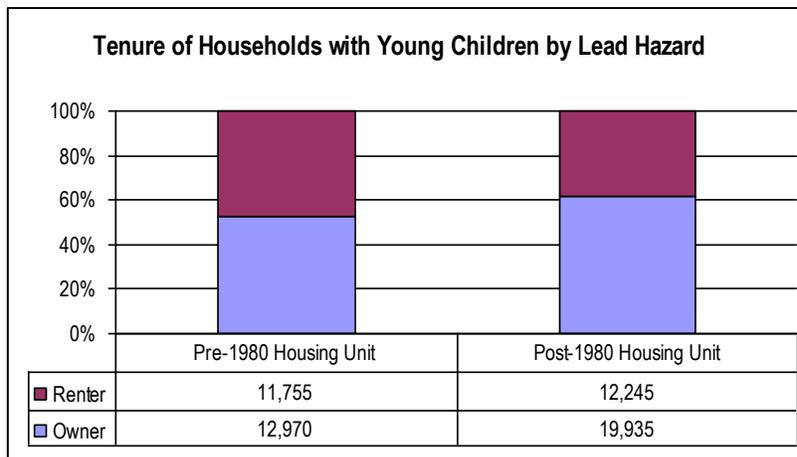
Regulations and Guidelines

In 1991, the Centers for Disease Control issued guidelines for identifying children with lead poisoning. It recommended that jurisdictions screen all young children for lead in their blood. Health care providers are required to report blood lead levels to the Arizona Department of Health Services.

In January 2003 the State of Arizona released its Targeted Lead Poisoning Screening Plan. In this Plan the state recognized the nationwide goal of eliminating childhood lead poisoning by the year 2010. The plan further recognized the need for statewide support from local public health agencies, healthcare providers, managed-care organizations, Medicaid, private insurance organizations, and the community to attain this goal.

Local Conditions

According to the 2000 Census, there are 137,011 housing units in Tucson and 199,606 housing units in Pima County built before 1980, including 43,004 in the Urban County and approximately 8,400 in the rural County. 2009 HUD CHAS data indicates that 15% households (56,905) have young children and among households with young children, 42% (24,000 households) are renters and 58% are owners (32,905 households).



Among renters, 11,755 households (49%) occupy pre-1980 housing units. Among owners, 12,970 households (39%) occupy pre-1980 housing units. Renters with young children are proportionately more likely to occupy pre-1980 housing, indicating a higher risk of lead paint poisoning among children whose families rent.

The Arizona Department of Health Services reported 61 confirmed cases of elevated blood levels among children between 2004 and 2009.

LEAD-BASED PAINT NEEDS ASSESSMENT AND STRATEGY

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There are nine zip codes considered by the Arizona Department of Health Services as high risk for potential Lead Paint poisoning due to the prevalence of housing built prior to 1980.

85701	85714	85719
85705	85716	85735
85708		
Source: Arizona Department of Health Services		

Five-year Lead Paint Poisoning Strategy

The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels, and conducts educational outreach activities. The Arizona Department of Health Services Childhood Lead Poisoning Prevention Program relies on blood lead data to determine high-risk areas, implement prevention strategies and provide interventions for lead poisoned children.

The Consortium has taken action to educate and inform the public regarding lead hazards. The City contracted with several agencies to market the 'Lead Hazard Control Program' and educate the community through various public awareness strategies. Literature (nearly 10,000 brochure copies) was made available throughout the City of Tucson at libraries, community centers, non-profits, hospitals, and schools. Awareness programming was broadcast on the local Cable Channel Cox Cable Channel, and a traveling, animated kiosk was developed and circulated throughout the City at various public venues over a period of 18 months. In addition, the Consortium follows a multi-pronged approach to reduce lead hazards:

1. Rehabilitation Projects. The Consortium follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances, and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The Consortium has licensed contractors who are available to perform appropriate abatement and/or removal procedures if lead-based paint is present.
2. Section 8 Housing Choice Vouchers. The PHA will inspect, for program participants, prospective dwellings constructed prior to 1978 that have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection will include visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.
3. Public Education. Lead hazard information is distributed to participants in homeownership and rental programs.

FIVE-YEAR STRATEGIC PLAN INTRODUCTION

Strategic Plan Organization

This strategic plan is organized according to the Consolidated Plan elements and HUD funding categories. Yet it is recognized that the activities do not stand alone. It is the combination of housing, human services and community development activities that lead to vibrant communities of prospering households. Each strategic element includes a summary of conditions and priorities, including those that are specific to geographic areas. Distribution of HUD funding and HUD tables are incorporated into the Strategic Plan.

In 2006, HUD developed a performance measurement system. The purpose of this system is to ensure that all HUD grantees report on common measurements to allow HUD to “roll-up” program results nationally. The goals of this strategic plan are naturally and directly related to the performance measurements. The three primary HUD-defined outcomes are 1) Availability/Accessibility; 2) Affordability; and 3) Sustainability. Within each program and considering the possible outcomes, there are three objectives: 1) Creating Suitable Living Environments; 2) Providing Decent Affordable Housing; and 3) Creating Economic Opportunities. Accordingly, there are nine possible outcomes and the outcome for each strategy is identified.

Vision Statement

The vision of the City of Tucson – Pima County Consortium is ***Sustainable Communities***.

Consolidated Plan Goals:

In support of this vision, the Strategic Plan includes four primary goals:

1. Invest in geographic areas with the greatest need while promoting greater housing choice and economic and social integration.
2. Be the model of cooperative and coordinated planning and implementation, encouraging community support and engagement.
3. Develop innovative leverage resources.
4. Invest in human dignity and sustainable communities by supporting intervention, prevention, improvement and enrichment activities.

FIVE-YEAR STRATEGIC PLAN FOR HOUSING

Summary of General Housing Market Characteristics and Conditions

Pima County and the City of Tucson experienced significant growth in the early part of the decade. Much of the early-decade growth was due to the attractiveness of the climate, retirement of baby-boomers and increased investment in second homes. Recent migrants came with higher incomes and higher levels of education. Yet the recent economic recession has essentially halted growth. Unemployment has nearly doubled in the past year and economic recovery is not anticipated until 2013 or beyond. In 2008, 40% of the County population was low or moderate income. Working families have been and continue to be particularly challenged to participate in the housing market. The median wage is \$30,830 and four-member households with a single earner at the median wage are considered low or moderate income. Median wages as a percent of median income declined from 73% in 2000 to 67% in 2008.

The growth brought an abundance of single-family detached housing, much of it on the outskirts of Tucson and in surrounding urban communities where large tracts of relatively inexpensive vacant land were readily available. New housing subdivisions, liberal financing and a strong economy provided ample opportunities for second home, move-up, and first time homebuyers. Since 2007 however, foreclosures and vacancies have plagued the housing market. There were over 10,000 foreclosures in 2008 and 2009 and there are an estimated 25,000 vacant units throughout the County. While some of these are seasonal vacancies, local market experts indicate a rental vacancy rate between 10% and 12% and an owner vacancy rate of over 5%.

Even with new development, four in ten housing units in Pima County are 30 years old or older. The oldest units, those more than 50 years old, are located in Tucson and South Tucson. Many of these units have antiquated or obsolete systems and are in need of rehabilitation, including energy-efficiency and sustainability improvements. A relatively large proportion of the older housing stock is renter occupied and owned by individual landlords, making rental rehabilitation with federal funds particularly challenging.

While the population of the County has become increasingly diverse over the past twenty years, the urban and older areas have greater concentrations of minorities than the newer outlying areas. Households in Tucson are also much younger than those in the remainder of the County. More than half of Tucson's householders are under the age of 44 compared with one third in the remainder of the County. The concentration of younger families in Tucson is reflected in lower household income. The lowest income households are concentrated in the City of South Tucson and the highest income households are concentrated outside the oldest urban areas. A combination of lower incomes and University students has resulted in a lower homeownership rate in Tucson and South Tucson.

While many households are housing cost burdened, many more are transportation cost burdened. Housing and Transportation (H+T) together can range from less than 30% in the central city to more than 60% in outlying areas. This indicates that there are many areas, particularly those areas outside of the city limits, where households are overburdened by housing and transportation costs.

Rural communities face many of the challenges that urban areas do. Yet smaller populations mean fewer resources – both human and financial. The need for public services and infrastructure in support of the housing market are critical, and sustainability is particularly challenging based on the limited number of users and revenue streams.

FIVE-YEAR STRATEGIC PLAN FOR HOUSING

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM

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General Housing Objectives

1. Utilize the Housing and Transportation Affordability Index to prioritize activities where appropriate.
2. Increase energy efficiency and sustainability of residential, commercial and public buildings.
3. Inventory developable City and County land for contribution to affordable housing. Work with State agencies and local districts to identify additional developable land. Prioritize land that is “shovel ready” for contribution of affordable housing.
4. Establish the development of affordable housing as a significant community benefit in Tucson.
5. Land bank properties for future affordable housing development.
6. Identify alternative methods of capitalizing City and County Housing Trust Funds.
7. Acquire and place additional properties into the Community Land Trust.
8. Develop rehabilitation standards that provide for graduated improvements, with emphasis on health and safety, energy efficiency and sustainability improvements.

Summary of Rental Housing Conditions and Priorities

Renting is more common among lower income households than higher income households. It is also more common among single-parent families. Two-thirds of extremely low income households (< 30% AMI) are renters and their needs are particularly high –nearly 17,000 pay more than 50% of household income for housing, one-third live in substandard units, and one in ten are overcrowded. Rental subsidies of \$370/month or more are needed to assist these households to afford the median rent unit. Without rental subsidies or permanent affordable housing, extremely low-income households are focused on survival, with few resources available to build assets and actively participate in the community. Many extremely low income households also have disabilities or related limitations and live on fixed incomes. Ensuring these households have safe, decent housing, including that with supportive services, is essential to their reaching their full human potential. There is an estimated need of 7,237 units renting for less than \$350/month for extremely low-income households.

Renting is also the primary option for more than half of very low-income (30% - 50% AMI) households. Among low-income households, three in ten (8,065) pay more than 50% of their income for housing and another four in ten (10,725) pay more than 30% of income for housing. One in ten are overcrowded, and rental subsidies of \$140/month or more are needed to assist these households to afford the median rent unit. While purchase subsidies are impractical for renters in this income category, many have the potential to become homeowners through nonprofit affordable housing development and sweat equity programs.

While not as severe as extremely low and very low income renters, low to moderate income renters (50% - 80% AMI) also experience problems. Nearly half of households in this income category are renters. Five percent (1,505) pay more than 50% of income for housing, and another 40% (10,870) pay more than 30% of income for housing. While rental subsidies are generally not needed to afford the median rent unit, more affordable units are needed to provide these households with greater housing choice. Low to moderate and middle-income renters are the most likely to benefit from home purchase subsidies. Some need only assistance with closing costs, while others require down payment assistance or equity contributions.

In 2008, approximately 56% of Pima County units and 74% of Tucson rental units were affordable to low and moderate income households. Many of these units are older and in need of rehabilitation, including energy efficiency and sustainability improvements. Since 2008, vacancy rates have climbed to an estimated 10 – 12% in the Tucson area and rent concessions are currently the norm. There are also multi-family properties in distress or foreclosure.

FIVE-YEAR STRATEGIC PLAN FOR HOUSING
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These distressed and foreclosed properties represent an opportunity to expand the supply of multi-family affordable rentals, including those for vulnerable populations.

Priority Rental Housing Needs and Activities

Priority rental housing needs and activities are based on the following:

1. Public housing waiting list;
2. Housing market analysis;
3. Stakeholder and public input.

HUD TABLE 2A – PRIORITY RENTER HOUSING NEEDS SUMMARY TABLE						
HH Type	City of Tucson			Pima County (outside City of Tucson)		
	Income Level	Unmet Need	Priority (H, M, L)	Income Level	Unmet Need	Priority (H, M, L)
Small Related	0-30%	2,980	H	0-30%	2,027	H
	31-50%	6,016	H	31-50%	4,094	H
	51-80%	3,401	L	51-80%	2,314	L
Large Related	0-30%	1,033	H	0-30%	703	H
	31-50%	753	H	31-50%	513	H
	51-80%	1,009	M	51-80%	687	M
Elderly	0-30%	1,708	M	0-30%	1,162	M
	31-50%	2,032	H	31-50%	1,383	H
	51-80%	1,464	L	51-80%	996	L
All Other	0-30%	5,495	M	0-30%	3,740	M
	31-50%	5,354	H	31-50%	3,644	H
	51-80%	3,022	L	51-80%	2,056	L
Special Needs	0-80%	7,043	H	0-80%	4,792	H
Total Renter Needs		41,310			28,111	

Rental Housing Objectives

1. Rehabilitate and preserve or replace the existing housing stock.
2. Secure a line of credit to provide nonprofit agencies with bridge loans and a competitive opportunity to acquire foreclosed multi-family properties for occupancy by vulnerable populations and increase the supply of long-term affordable housing. Develop a fast-track risk assessment process to commit federal, state or local funds to these projects.
3. Acquire and rehabilitate foreclosed properties for occupancy by low income households.
4. Increase Housing Choice Vouchers and Tenant-based Rental Assistance.
5. Support a “second-chance” housing program for those least likely to secure appropriate housing.

FIVE-YEAR STRATEGIC PLAN FOR HOUSING
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Rental Housing Activities and Performance Measures

Activity	City of Tucson		Pima County	
	5-year Goal & Performance Measure	Funding Source(s)	5-year Goal & Performance Measure	Funding Source(s)
Housing Development, including Acquisition	50 units	HOME	100 units	HOME, Other
Housing Development for Special Populations	200 units	HOME	200 units	HOME, Other
Preservation & Rehabilitation of Affordable Units	600 units	HOME	300 units	HOME, Other
Tenant-based Rental Assistance	70 households	HOME	50 households	HOME, Other

Summary of Homeownership Conditions and Priorities

Homeowners generally have higher incomes and are older than renters. Most married couples, both with and without children are homeowners. One half of single-person households own their home. As is the case with renters, lower-income owners are more likely to be housing cost burdened or overcrowded than are higher income households, but cost burden is still a problem for owners at all income levels. About one in three extremely low income (<30% AMI) households owns their home and more than half pay more than 50% of their income for housing. Among low to moderate income households (50% - 80% AMI), fifty-four percent own their home and 40% pay more than 30% of their income for housing. One in ten middle and higher income households also pays more than 30% of their income for housing; many of these households are one lay-off or one paycheck away from default.

Higher rates of homeownership in suburban and rural areas increases cost burden as transportation is added to the affordability equation. Cost burdened owners often have challenges maintaining their homes and with a large part of the housing stock over 30 years old, rehabilitation, including energy efficiency and sustainability improvements are essential to long-term household and community sustainability.

At present there is an abundance of vacant units and many are affordable to low and moderate income buyers. In 2008, there were an estimated 35,000 “affordable” housing units countywide. While housing prices outpaced income by four times during the early part of the decade, home purchase affordability increased in 2009 due to a large volume of units on the market and declining prices. The median asking price in Tucson decreased 27% to \$165,000 in 2009 after peaking in 2006/2007. By then a subsidy of \$36,200 was needed to assist a moderate income household to purchase the median priced home; down from \$96,500 in 2008. Nearly one in four purchases in 2009 was a cash purchase, indicating investors are actively participating in the market.

Foreclosures continue to severely impact the housing market. The primary factors contributing to foreclosures are loss of employment, high-cost and high-leverage financing and refinancing, over-building, and over-valuation. Stricter underwriting criteria and competition from real estate investors continue to hamper the purchasing efforts of Pima County’s low and moderate income households. Pima County CDNC staff research monthly Recorder’s Office real property information and maintain a data base of Trustee’s Sales and Trustee’s Deeds. From October 2008 through March 2009, 33% of Trustee’s Sales resulted in Trustee’s Deeds (foreclosures). The volume of foreclosures has increased steadily since 2006. There were 627 in 2006, 1,564 in 2007, 4,215 in 2008, and 5,826 in 2009

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While there are affordable units, many of them foreclosures, first time homebuyers are facing numerous challenges in obtaining mortgage financing. All of Arizona has been designated by Fannie Mae and Freddie Mac as a declining market, making it near impossible to acquire mortgage insurance for conventional financing. For this reason, FHA is the product of choice. While potential buyers qualify according to FHA underwriting guidelines, lenders often require additional documentation or “custom conditions” beyond those required and with little explanation. Custom conditions have extended the time of loan closing from 30 days to 60 days. Staff implementing NSP1 and other financial assistance programs have noted that these delays have caused first-time homebuyers to lose homes on which they have made offers as cash investors are making offers that close quickly and have little corresponding lender paperwork.

Priority Owner Housing Needs and Activities

Priority owner housing needs and activities are based on the following:

1. Demand for housing rehabilitation, home purchase assistance, and housing and default counseling;
2. Housing market analysis;
3. Stakeholder and public input.

HUD TABLE 2A – PRIORITY OWNER HOUSING NEEDS SUMMARY TABLE						
	City of Tucson			Pima County (outside City of Tucson)		
HH Type	Income Level	Unmet Need	Priority (H, M, L)	Income Level	Unmet Need	Priority (H, M, L)
Small Related	0-30%	1,462	H	0-30%	995	H
	31-50%	4,987	M	31-50%	3,393	M
	51-80%	5,456	M	51-80%	3,713	M
Large Related	0-30%	1,163	H	0-30%	791	H
	31-50%	1,783	H	31-50%	1,213	H
	51-80%	2,808	M	51-80%	1,911	M
Elderly	0-30%	2,981	H	0-30%	2,029	H
	31-50%	3,166	L	31-50%	2,154	L
	51-80%	2,788	L	51-80%	1,897	L
All Other	0-30%	1,403	M	0-30%	954	M
	31-50%	1,271	M	31-50%	865	M
	51-80%	1,702	M	51-80%	1,158	M
Special Needs	0-80%	7,424	H	0-80%	5,051	H
Total Owner Needs		38,394			26,124	

FIVE-YEAR STRATEGIC PLAN FOR HOUSING
CITY OF TUCSON AND PIMA COUNTY CONSORTIUM
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Homeownership Housing Objectives

1. Rehabilitate and/or replace the existing housing stock, including historic preservation.
2. Support pre-purchase and post-purchase financial and housing counseling and education programs. Coordinate housing counseling and education resources with down payment, closing cost and new development funding. Offer counseling and education to owners in gentrifying areas.
3. Develop a homeownership assistance program for all jurisdictions with a single point of contact. Disseminate information regarding nonprofit housing development opportunities through this single point of contact.
4. Acquire and rehabilitate foreclosed properties for purchase by households, including middle-income households.
5. Work cooperatively with the Industrial Development Authorities to leverage Mortgage Revenue Bond, Mortgage Credit Certificates and other available resources.
6. Create relationships with lenders to recognize energy-efficient and location-efficient mortgages and commercial financing opportunities.
 - a. Establish an employer-assisted housing assistance program focused on energy-efficiency and location- efficiency.
7. Advocate for changes in the foreclosure process (State statute) to require a second notice before foreclosure.

Homeownership Activities and Goals

TABLE 26 – CITY OF TUCSON OWNER HOUSING ACTIVITIES, 5-YEAR GOALS AND PERFORMANCE MEASURES		
Activity	5-year Goal & Performance Measure	Funding Source(s)
Down-payment assistance for 1 st time buyers	300 households	HOME
Development of single family homes	100 units	HOME
Lead Abatement (1)	1,000 units	HUD/OHH LHC
Owner-occupied Housing Rehab	1,220 units	CDBG, OAA
Historic Preservation	100 units	CDBG
Acquisition, Rehabilitation, Resale	250 units	NSP
Handicap Accessibility Improvements	150 units	CDBG
Demolition/Reconstruction	35 units	CDBG, NSP

FIVE-YEAR STRATEGIC PLAN FOR HOUSING
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TABLE 27 – PIMA COUNTY OWNER HOUSING ACTIVITIES, 5-YEAR GOALS AND PERFORMANCE MEASURES		
Activity	5-year Goal & Performance Measure	Funding Source(s)
Down-payment assistance for 1 st time buyers	300 households	HOME
Development of single family homes	150 units	HOME
Owner-occupied Housing Rehab, including Lead Abatement and Historic Preservation	450 units	CDBG, HOME
Acquisition, Rehabilitation, Resale	200 units	HOME
Handicap Accessibility Improvements	150 units	CDBG
Demolition/Reconstruction	30 units	CDBG, HOME
Homebuyer Counseling/Training	2,000 households	CDBG, Other

FIVE-YEAR HOMELESSNESS STRATEGIC PLAN

Summary of Homeless Conditions, Goals and Objectives

Pima County's 2006 Plan to End Homelessness identifies families with children as comprising a significant portion of the local homeless population. Consequently, the population of unsheltered homeless households with dependant children is one of TPC's primary targets for outreach. While outreach efforts to both individuals and families are extensive, the current economic recession has greatly affected the ability to help homeless persons move from transitional housing to permanent housing. It is also leading to increased homelessness, although many of the new homeless are currently doubled up with friends and family. A key factor in a homeless person's move towards permanent housing is the ability to maintain employment.

Conversation with stakeholders revealed a variety of conditions or barriers related to addressing homelessness: institutional structure, prevention resources, emergency shelter, and public education are five primary themes. These themes speak to the need for a broad range of services and shelter combined with a strong delivery system that is truly consumer oriented and collaborative.

Within the existing Continuum of Care and Ten-year Plan to End Homelessness there are nine goals and priorities. These goals and priorities include prevention, employment, housing, support services, private sector engagement, transportation, collaboration and coordination, data gathering and education. Consolidated Plan goals and strategies are designed to support these goals and priorities.

Homeless Priorities

Priority homeless needs and activities are based on the following:

1. Continuum of Care;
2. 10-year Plan to End Homelessness;
3. Stakeholder and public input.

Consolidated Plan Objectives to Support Homeless Goals and Priorities

1. Increase emergency shelter and Safe Haven sites in Tucson with detox, on-site human services and public transportation accessibility that also have 24-hour access.
2. Continue to actively participate in and support Continuum of Care planning and activities.
3. Increase eviction and foreclosure prevention resources. Develop a model that demonstrates the cost-benefit of preventing homelessness through foreclosure or eviction prevention activities.
4. Increase the supply of emergency shelter, transitional housing, permanent supportive housing, and related supportive services.
5. Support a community education campaign that increases understanding of homelessness and communicates success.
6. Support a collaborative and inter-related network of services and shelter providers.
 - a. Support long-term case management wrap-around services systems through all phases of the housing continuum, including that which is not defined as "supportive housing".
7. Work cooperatively with workforce investment agencies, employers and nonprofit agencies to provide job training and employment services for vulnerable populations.
8. Research Housing First/Pathway to Housing program as a possible model for providing housing and mental health services.

FIVE-YEAR SPECIAL POPULATIONS STRATEGIC PLAN

Summary of Special Needs Conditions and Priorities

HUD-defined Special Needs populations fall into seven broad categories: elderly, frail elderly, physically and developmentally disabled, seriously mentally ill, chronic substance and alcohol abusers, persons living with HIV/AIDS and their families, victims of domestic violence, and public housing residents.

Elderly and Frail Elderly. Thirty percent (111,325) of Pima County's population is age 65 or older. Almost half are frail elderly (over the age of 75). Housing cost burden is a significant problem for both elderly owners and renters. Housing rehabilitation and accessibility improvements are also needed to support elders who wish to age in place. Of the clients served through the Pima County On Aging (PCOA) in 2009, 59% of home repair recipients live alone, 75% are women, 70% are disabled, and 59% have a monthly income under \$867; all are groups lacking the physical and/or financial resources to perform routine home maintenance, repairs or adaptations. There are 360 seniors on the public housing waiting list and the results of a 2009 PCOA survey showed that there was a waiting list of 252 older adults for HUD subsidized housing apartments and 1,548 for other government funded subsidized apartments. Nearly one in ten elderly households cares for grandchildren under age 18. Isolation and chronic health conditions often lead to behavioral health concerns. About 25% of the elderly have behavioral health concerns that are inadequately addressed by the behavioral health system.

Physically and Developmentally Disabled. Ten percent (38,000) of households in Pima County are disabled. Disabled households experience many of the same social, economic and housing challenges as the elderly. Many live on fixed incomes and have few opportunities to realize their full potential. Among disabled households, more than half are low or moderate income. Unemployment among the disabled is approximately double the non-disabled population. Among extremely low income (<30% AMI) disabled, eighty-percent have some housing problem. Seventy percent of very low income (30% - 50% AMI) have some housing problem. Housing problems are more common among renters as renters also tend to have the lowest incomes.

Persons Living With HIV/AIDS. Pima County has a prevalence rate of reported HIV Disease of 235 per 100,000 people, which is higher than the general Arizona state prevalence rate. Low-income people living with HIV/AIDS require subsidies to maintain safe, affordable housing, and a continuum of supportive services in order to access health care and other resources needed to maintain housing stability and access care services. The clients served through the Southern Arizona AIDS Foundation are predominantly low income, with 98% of clients living below 80% of median income, and 69% living below 30% of median income.

Seriously Mentally Ill. There are currently 21,453 adults and 8,325 children in the public mental health system in Pima County. Among adults, 4,740 or 22% of those enrolled in the public mental health system are Seriously Mentally Ill as defined by a qualifying diagnosis and disability. The most vulnerable populations are those who do not qualify for the Arizona Health Care Cost Containment System (AHCCCS) program – the State's version of Medicaid. These individuals are particularly vulnerable due to their reliance on private health care or other State systems for needed assistance. There are currently between 700 and 750 housing units designated for the SMI. About 1/2 of these units are located at scattered sites throughout the City and County. For those SMI who are seeking housing, significant barriers exist due to crime and drug-free housing policies.

Chronic Alcohol and Substance Addiction. There is limited data beyond that collected through agency reports and homeless counts that quantifies the number of people with chronic alcohol and substance addiction. Approximately 15,000 individuals sought treatment during 2009, many more than once. There are an estimated 605 homeless individuals with chronic alcohol and substance addictions. Many of the homeless are also receiving services or treatment. The unmet need for services is estimated to have remained unchanged since 2005.

HUD TABLE 1B - SPECIAL NEEDS (NON-HOMELESS) POPULATIONS							
SPECIAL NEEDS SUBPOPULATIONS	Priority Need	Unmet Need	Dollars to Address Unmet Need	Pima County		City of Tucson	
				5-Year Goals & Performance Measures	Annual Goals	5-Year Goals & Performance Measures	Annual Goals
Elderly/Frail Elderly	H	46,775	\$1,500,000	16,000	3,200	15,000	3,000
Severe Mental Illness	M	4,740	\$185,000	400	80	1,500	300
Developmentally / Physically Disabled	H	19,945	\$3,760,000	600	125	12,000	2,400
Persons w/ Alcohol/Other Drug Addictions	M	300	\$80,000	400	80	300	60
Persons w/HIV/AIDS	H	1,790	\$10,562,430	200	50	425	85
Victims of Domestic Violence	H	2,250 ⁵	\$225,000	2,250	450	1,800	360
TOTAL		75,800	\$16,312,430	19,850	1,250	31,025	6,205

Non-homeless Special Populations Strategies, Activities and Performance Measures

Special populations goals and objectives are to:

1. Retrofit existing housing units to improve accessibility.
2. Incorporate accessibility standards into rehabilitation and development guidelines on a regional basis.
3. Increase the supply of permanent, supportive housing.
4. Support in-home services for the homebound.
5. Work cooperatively with workforce investment agencies, employers and nonprofit agencies to provide job training and employment services for vulnerable populations.
6. Support additional social services for care-givers.
7. Expand public transportation opportunities.
8. Research Housing First/Pathway to Housing program as a possible model for providing housing and mental health services.

⁵ Cases reported to Tucson Police Department in 2009; assumes 2.5 people per family per case.

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TABLE 28 – CITY OF TUCSON SPECIAL POPULATIONS ACTIVITIES AND 5-YEAR GOALS			
Activity and Performance Measure	Priority Need	5-year Goal	Funding Source(s)
Supportive Services			
Elderly/Frail Elderly	M	15,000	CDBG, GF
Disabled	H	12,000	CDBG, GF
Serious Mental Illness	M	1,500	CDBG, GF
Alcohol / Substance Abuse	M	300	CDBG, GF
Persons with HIV/AIDS	H	425	HOPWA
Domestic Violence Victims	M	1,800	CDBG, GF
Housing			
Supportive Housing Elderly/Disabled	H	200 units	HOME
Persons with HIV/AIDS	H	230 units	HOPWA
Accessibility Improvements	M	150 units	CDBG
Rental Housing Development	M	200 units	HOME
Tenant-based Rental Assistance	H	50 households	HOME

TABLE 29 – PIMA COUNTY SPECIAL POPULATIONS ACTIVITIES AND 5-YEAR GOALS			
Activity and Performance Measure	Priority Need	5-year Goal	Funding Source(s)
Supportive Services			
Elderly/Frail Elderly	H	16,000	CDBG, Other
Disabled	H	400	CDBG, Other
Serious Mental Illness	M	600	CDBG, Other
Alcohol / Substance Abuse	M	400	CDBG, Other
Persons with HIV/AIDS	H	200	HOPWA, Other
Domestic Violence Victims	H	2,250	CDBG, Other
Housing			
Supportive Housing Elderly/Disabled	H	200 units	HOME
Persons with HIV/AIDS	H	200 units	HOPWA
Accessibility Improvements	M	150 units	CDBG
Rental Housing Development	M	100 units	HOME, Other
Tenant-based Rental Assistance	H	50 households	HOME

FIVE-YEAR HUMAN SERVICES / ANTI-POVERTY STRATEGY

Human Services/Anti-poverty Strategy

This non-housing community development strategy includes the diverse human services and built environment needs of the City of Tucson and Pima County, including rural areas. It includes an anti-poverty strategy, which relates to human services and economic development as well as overall strategies to address the built environment, such as revitalization, public facilities, recreation and infrastructure.

In discussion with stakeholders it became obvious that a new way of thinking about and approaching the needs of both people and the built environment was necessary. Accordingly, Pima County and the City of Tucson are working towards rethinking needs according to a four-tier hierarchy. This hierarchy recognizes that meeting basic needs does not necessarily promote human dignity. The model set forth demonstrates this “Hierarchy of Human Dignity”, the intent of which is to recognize that individuals and families are always capable of a dignified response when community strategies are appropriately targeted. This model assumes that individuals and families at all income levels have a basic right to human safety and security, stability and support, self-sufficiency and prosperity. It further assumes that communities have a moral obligation to support human dignity.

Still, this model acknowledges that within each tier, specific segments of the population are most in need and most likely to benefit from targeted community investment. It also acknowledges that the population may move among the various tiers as circumstances change and may also have needs in more than one tier. Investing wisely in the built environment ensures that individuals from all tiers can access appropriate housing and services, and investing wisely in services ensures that the built environment is sustainable.

Human Safety and Security – Intervention Strategies

Individuals and families with human safety and security needs are most often found among our most vulnerable populations – extremely low income households, special populations and the homeless. Effective human services strategies include rental assistance, emergency and transitional housing, permanent supportive housing for special populations, community infrastructure to support services, and direct services such as basic education and assistance with daily living needs. When human safety and security strategies are effective, individuals and families respond by learning to move through crisis and personal and systemic barriers, obtaining access to food, clothing and shelter and recognizing personal and public safety.

Stability and Support – Prevention Strategies

Stability and Support needs are focused on avoiding crisis and achieving a basic standard of living that is above the poverty level. Prevention strategies that support income stability such as affordable housing, access to services, understanding how to navigate complex social and economic systems, and education, literacy and job training are key to addressing needs in this tier. When strategies are effective, individuals and families live in affordable housing, make living wages, effectively manage debt and begin to build assets, have knowledge of and access to appropriate services, have stable physical and mental health, and access education, literacy, and job training opportunities with appropriate supports.

Self-Sufficiency – Improvement Strategies

Long the goal of many human services programs, self-sufficiency needs are focused on improving individual and family quality of life through sustainable incomes. Improvement strategies that focus on developing long-term opportunities for movement within the economy are keys to addressing needs in this tier. Specific strategies include affordable rental housing, homeownership assistance, housing rehabilitation, community infrastructure and direct

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services such as education and human services programs. When improvement strategies are effective, individuals and families attain skills, create long-term goals and participate in a variety of personal development activities. Likewise, businesses invest in long-term strategic planning and expand through ongoing investment in both the built environment and the workforce.

Prosperity – Enrichment Strategies

Enrichment strategies that focus on opportunities to participate in planned activities, volunteer in meaningful ways and participate in the future well-being of the community are keys to achieving a socially and economically sustainable community. Enrichment strategies include community infrastructure, education and recreation programs, and participatory planning activities. When enrichment strategies are effective, individuals, families and businesses are actively engaged in social and political systems and planning, supporting and investing in community services and the built environment, and planning for long-term community health.

Non-housing Community Development (Human Services / Anti-poverty Objectives)

1. Support service providers, neighborhoods and communities through facility improvements and rehabilitation and operating support.
2. Adopt the Hierarchy of Human Dignity as the model of service delivery and investment in the built environment.
3. Participate with human services providers to develop an advocacy and education network that increases support for and investment in human capital and dignity.
4. Work in concert with the public education system to develop financial literacy education and coordinate the delivery of services at school sites.
5. Utilize Section 108 Resources in Tucson to the greatest possible extent.
6. Invest the maximum possible resources (15% of CDBG funding) in human services activities.
 - a. Advocate for an increase in the public services cap in the CDBG program.
7. Adopt a human rights ordinance that broadly and comprehensively reflects community values regarding the right to fair and equal housing opportunity for all people, including undocumented immigrants, refugees, and convicted felons. Identify a non-governmental enforcement entity.
8. Support outreach and education efforts and services through mentoring and volunteer networks.
9. Support Fair Housing Education and Enforcement Activities.
10. Support neighborhood and community planning efforts, including downtown Tucson and communities throughout Pima County. Include in each plan definitions and goals for affordable housing, human services, economic development and community development.

Non-housing Community Development (Economic Development Objectives)

1. Support economic development activities and employment, focusing on employment convenient to public transportation and working in partnership with workforce investment agencies.
2. Develop a microbusiness loan program in cooperation with the Industrial Development Authorities to provide additional resources for small and growing businesses, focusing on the City of South Tucson and rural areas.
3. Work cooperatively with workforce investment agencies, employers and nonprofit agencies to provide job training and employment services.
4. Incorporate training for contractors and others private sector entities to increase understanding of and participation in HUD programs, with emphasis on Section 3 and Labor Standards that promote economic self-sufficiency.

A HIERARCHY OF HUMAN DIGNITY

INDIVIDUAL RESPONSE

COMMUNITY RESPONSE



FIVE-YEAR COMMUNITY DEVELOPMENT STRATEGY

Needs of the Built Environment

For several decades, the focus has been of necessity on supporting growth. The current economic recession represents an opportunity to reinvest in the built environment, focusing on revitalizing existing neighborhoods and communities and enhancing the infrastructure necessary to support existing residents. Neighborhoods and entire rural communities can benefit from a common vision and the development of leadership at all levels. Additional planning to identify community and neighborhood sustainability needs is one component of developing thriving communities.

While additional neighborhood and community planning are needed, there are many already-identified community needs. Just as individual and family needs are addressed through a four-tier hierarchy, so are the needs of the built environment. The inter-relationship is clear, people in crisis need a safe and secure environment to become stable, self-sufficient and ultimately thrive. In turn, thriving people have the ability to support the built environment and proactively participate in community enrichment. So, while specific built environment strategies and activities arguably address all tiers, it is also recognized that certain activities will have a greater impact on people in varying stages of prosperity.

Safety and Security

A safe and secure environment provides individuals and families an opportunity to move through crisis, access education and employment, and live free of physical health and safety hazards. Police and fire protection, safe streets, basic shelter, potable water, flood control, sewer and solid waste disposal and lead paint abatement are key built environment strategies that support safety and security. When safety and security strategies are effective, individuals and families respond by learning to move through crisis and personal and systemic barriers, obtaining access to food, clothing and shelter and recognizing personal and public safety.

Stability

In order to move above a basic standard of living that is above the poverty level, individuals and families require access to a variety of services. These services are provided through neighborhood and community facilities that house youth, child care, senior and health services. The built environment is further stabilized through code enforcement and demolition activities, historic preservation, rehabilitation of existing structures, and the acquisition of vacant land and buildings for future development. When strategies are effective, individuals and families live in affordable housing, make living wages, effectively manage debt and begin to build assets, have knowledge of and access to appropriate services, have stable physical and mental health, and access education, literacy, and job training opportunities with appropriate supports.

Self-sufficiency

In order to build and maintain self-sufficiency, the facilities and activities that lead to stability must be supported. Self sufficiency in the built environment is achieved through neighborhood and community planning, mixed-income and mixed-use development, multi-modal transportation opportunities, and energy-efficient and sustainable development and improvements. When strategies are effective, individuals and families attain skills, create long-term goals and participate in a variety of personal development activities. Likewise, businesses invest in long-term strategic planning and expand through ongoing investment in both the built environment and the workforce.

FIVE-YEAR COMMUNITY DEVELOPMENT STRATEGY

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Thriving

A community is thriving when the built environment supports individual and family needs through ready access to services and amenities. A thriving built environment provides for connectivity among uses, neighborhoods and entire communities. A mix of new and infill development and rehabilitation occurs – both residential and commercial – and this mix is inter-connected with multi-modal transportation, affordable housing and broad employment opportunities. Recreational opportunities abound and are self-sufficient because they are supported by the community. A thriving community continually works to preserve a built environment that supports community engagement. When strategies are effective, individuals, families and businesses are actively engaged in social and political systems and planning, supporting and investing in community services and the built environment, and planning for long-term community health.

Non-housing Community Development (Built Environment) Objectives

The following objectives consider this hierarchy and the breadth of built environment needs:

1. Develop, expand and rehabilitate existing public facilities to support neighborhood and community demographics and encourage community involvement in support services and recreation opportunities.
2. Develop, rehabilitate and expand infrastructure to encourage mixed-income and mixed-use development, accessibility, use of public transportation, and sustainability through neighborhood and/or community-appropriate services and activities.
3. Continue code enforcement and demolition activities.
4. Increase energy-efficiency resources for long-term sustainability of residential and commercial facilities.
 - a. Develop a model for nonprofit-private partnerships to increase commercial building energy efficiency while providing tax rebates and incentives to private sector organizations that can benefit.
5. Develop community facilities capable of serving multiple populations and supporting concurrent activities.
6. Encourage the co-location of services in both existing and new public facilities.
7. Support public safety and security through fire protection, street improvements, flood control, and water, wastewater and solid waste facilities.

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HUD TABLE 2B – CITY OF TUCSON NON HOUSING COMMUNITY DEVELOPMENT NEEDS, 5-YEAR GOALS AND PERFORMANCE MEASURES				
Activity	Priority Level	5-Year Need	Dollars Needed	5-year Goal and Performance Measure
Public Facilities		Facilities		Facilities
Neighborhood Facilities	M	25	\$10,000,000	20
Parks/Recreation Facilities	M	45	\$40,000,000	40
Non-Residential Historic Preservation	M	7	\$5,000,000	5
Fire Protection	M	20	\$5,000,000	20
Youth Centers	M	15	\$2,000,000	10
Child Care Centers	M	15	\$2,000,000	10
Senior Centers	M	5	\$2,000,000	5
Job Training Centers	M	1	\$4,000,000	1
Infrastructure				
Street Improvements	M	1	\$375,000,000	1
Flood Control Improvements	M	5	\$26,000,000	2
Public Services		Contracts/People		
Youth Services	H	77,000	\$7,700,000	66,000
Services for Families	H	11,000	\$1,100,000	7,500
Handicap Services	H	14,500	\$1,450,000	3,500
Senior Programs	H	32,000	\$2,130,000	32,000
Adult Services	H	29,000	\$2,900,000	120,000
Emergency Shelter Operating Costs	H	170,000	\$3,250,000	165,000
Food & Clothing Services	H	110,000	\$350,000	110,000
Demolition/Code Enforcement	H	60 units	\$750,000	45 units
Administration and Planning		Contracts		
Fair Housing	H	10	\$300,000	10
Homeless Planning	H	5	\$200,000	4
Neighborhood Planning	H	10	\$25,000	5

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The following HUD Table identifies Community Development Needs in Pima County. It assigns a priority level to each need based on stakeholder input, past requests for input and the dollar amount of needed improvements. All activities have the potential to be funded either in whole or in part with CDBG as well as other resources. Other anticipated resources include USDA Rural Development, Neighborhood Reinvestment funds, and FEMA funds.

HUD TABLE 2B – PIMA COUNTY NON HOUSING COMMUNITY DEVELOPMENT NEEDS, 5-YEAR GOALS AND PERFORMANCE MEASURES				
Activity	Priority Level	5-yr Need	Dollars Needed	5-year Goal & Performance Measure
Public Facilities				Facilities
Neighborhood Facilities	H	15	\$ 27,750,000	15
Parks/Recreation Facilities	M	16	\$ 24,500,000	10
Health Facilities	M	10	\$ 22,500,000	5
Non-Residential Historic Preservation	L	10	\$ 6,500,000	5
Fire Protection	H	15	\$ 21,050,000	15
Youth Centers	M	9	\$ 20,500,000	5
Child Care Centers	M	14	\$ 15,000,000	5
Senior Centers	H	10	\$ 22,250,000	10
Infrastructure				Contracts
Water Improvements	M	17	\$ 43,500,000	10
Street Improvements, incl. Sidewalks	H	17	\$ 82,350,000	15
Sewer Improvements	H	17	\$ 39,600,000	15
Flood Control Improvements	M	16	\$ 62,350,000	5
Solid Waste Disposal	M	16	\$ 5,350,000	5
Asbestos Removal	M	16	\$ 8,450,000	5
Economic Development				
Job Retention/Creation	H	10	\$950,000	5
Microbusiness Loans	H	1	\$1,000,000	1 contract
Demolition/Code Enforcement				
Demolition/Code Enforcement	M	12 target areas	\$50,000	9 target areas
Demolition of Abandoned Mobile Homes	M	9 units	\$36,000	5 units
Public Services				
Operating Costs for Shelters/DV Shelters	H	5	\$100,000	2
Handicap Services	H	5	\$250,000	5
Senior Services	H	18	\$250,000	10
Substance Abuse Services	H	10	\$500,000	5
Transportation Services	H	19	\$200,000	4
Youth Services	H	20	\$600,000	10

FIVE-YEAR COMMUNITY DEVELOPMENT STRATEGY

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HUD TABLE 2B – PIMA COUNTY NON HOUSING COMMUNITY DEVELOPMENT NEEDS, 5-YEAR GOALS AND PERFORMANCE MEASURES

Activity	Priority Level	5-yr Need	Dollars Needed	5-year Goal & Performance Measure
Health Services	H	20	\$250,000	5
Food & Clothing Services	H	20	\$250,000	10
Administration and Planning			Contracts	
Fair Housing	H	5 contracts	\$250,000	5 contracts
Rural Community Planning	H	10 plans	\$500,000	5 plans

FIVE-YEAR COMMUNITY DEVELOPMENT STRATEGY
 CITY OF TUCSON AND PIMA COUNTY CONSORTIUM
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TABLE 30 - PIMA COUNTY COMMUNITY DEVELOPMENT NEEDS BY GEOGRAPHIC AREA (IN MILLIONS)

	Neighborhood Facilities	Parks	Health Care Facilities	Solid Waste	Asbestos Removal	Non-resid'l Historic Preservation	Fire Protection	Water Improvements	Sewer	Street Improvements	Flood Control	Transportation Services	Health Care Services	Youth Centers	Child Care Centers	Senior Centers	TOTALS
Ajo	1.0	0.5	0.5	0.25	1.0	1.0	0.75	1.0	1.0	1.0	1.0	0.5	0.5	1.0	0.75	0.75	\$12,500,000
Amado	1.0	0.5	0.5	0.25	0.1	-	0.25	0.5	1.0	0.5	0.5	0.2	0.25	0.5	0.5	0.5	\$ 7,050,000
Arivaca	0.5	0.75	1.0	0.25	0.2	1.0	0.5	2.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	\$11,700,000
Avra Valley	1.0	1.0	0.5	0.25	0.25	-	1.0	3.0	5.0	10.0	5.0	0.5	5.0	0.5	0.5	0.5	\$34,000,000
Catalina	2.0	1.0	0.5	0.25	0.25	0.25	0.5	1.0	3.0	2.0	1.0	0.5	0.5	0.5	0.5	0.5	\$14,250,000
Continental	0.5	0.25	1.0	0.25	0.25	0.5	0.5	0.25	5.0	0.25	0.25	-	0.1	-	0.5	0.5	\$10,100,000
Drexel Heights	0.5	0.25	0.5	-	0.25	0.25	0.5	-	-	0.5	0.5	0.2	0.2	0.5	0.5	0.5	\$ 5,150,000
Elephant Head	1.0	1.0	0.5	0.25	0.25	-	0.5	1.0	2.0	3.0	2.0	0.2	0.25	0.5	0.5	0.5	\$13,450,000
Flowing Wells	0.5	0.75	0.5	-	1.0	0.5	0.5	1.0	1.0	1.0	1.0	0.25	5.0	0.5	0.5	0.5	\$14,500,000
Helmet Park	1.0	1.0	0.5	0.25	0.25	-	0.75	10.0	-	5.0	2.0	0.25	0.5	0.5	0.5	0.5	\$23,000,000
Littleton	0.5	1.0	0.5	-	0.5	-	0.75	0.5	-	1.0	1.0	0.25	0.5	0.5	0.5	0.5	\$ 8,000,000
Marana	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.75	1.0	3.0	5.0	3.0	1.0	1.0	0.75	1.0	\$18,800,000
Picture Rocks	0.75	0.75	0.5	0.25	0.5	-	0.5	3.0	1.0	10.0	5.0	0.25	0.5	0.5	0.5	0.5	\$24,500,000
Rillito	0.5	0.5	-	0.1	0.05	-	0.05	0.25	0.1	0.1	0.1	0.05	-	-	-	-	\$ 1,800,000
Sahuarita	0.5	0.5	0.5	-	-	-	-	-	-	-	-	-	-	0.5	0.5	0.5	\$ 3,000,000
S. Nogales Hwy.	1.0	0.5	1.0	0.25	0.5	-	0.75	5.0	-	10.0	10.0	0.25	0.5	0.5	0.5	0.5	\$31,250,000
South Tucson	1.0	1.0	1.0	0.25	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.25	0.5	0.5	0.5	7.5	\$16,000,000
Three Points	1.0	0.5	0.5	0.25	0.25	0.5	0.75	0.75	1.0	10.0	10.0	0.5	0.5	0.75	0.5	0.5	\$28,250,000
Vail	1.0	0.75	0.75	0.25	0.25	0.5	0.5	0.5	1.0	1.0	1.0	0.25	0.5	0.75	0.5	0.5	\$ 10,000,000
Valencia West	1.0	0.5	0.75	0.25	0.5	-	0.5	2.0	5.0	5.0	5.0	0.25	0.5	0.5	0.5	0.5	\$22,750,000
Why	0.5	0.5	-	0.25	0.1	-	0.5	0.5	1.0	7.5	0.5	0.05	-	-	-	-	\$11,400,000
Countywide	10.0	10.0	10.0	1.0	1.0	1.0	10.0	10.0	10.0	10.0	10.0	1.0	5.0	10.0	5.0	5.0	\$ 109,000,000
TOTALS	\$ 27.75	\$ 24.5	\$ 22.5	\$ 5.35	\$ 8.45	\$ 6.5	\$ 21.05	\$ 43.5	\$ 39.6	\$ 82.35	\$ 62.35	\$ 6.5	\$ 22.3	\$ 20.5	\$ 15	\$ 22.25	\$ 430,450,000

FIVE-YEAR INSTITUTIONAL STRUCTURE AND DELIVERY SYSTEM STRATEGY

While the existing structure and system support a variety of activities, the economic recession has led to a host of barriers and challenges. These challenges can however be overcome through increased coordination and cooperation. The City of Tucson and Pima County, with the input of the public and stakeholders is prepared to be the model of collaborative and coordinated planning and program implementation.

Becoming a Model of Collaborative and Coordinated Planning and Program Implementation

1. Provide opportunities for the public, program beneficiaries and stakeholders to participate in program planning and policy development.
2. Develop and adopt a regional plan that incorporates housing, human services and non-housing community development strategies, coordinating with existing regional planning efforts. Undertake each element separately or together as appropriate.
3. Assess organizational capacity and establish administrative systems that take advantage of existing capacity. Use City of Tucson administration of County-wide Housing Choice Vouchers as a starting point.
4. Establish a single application, funding policies and a single point of contact for activities jointly funded in the City of Tucson limits.
 - a. Human Services
 - b. Public Facilities
 - c. Public Infrastructure
 - d. Nonprofit Facility Development, Expansion and Rehabilitation
 - e. Rental Housing Development
 - f. Supportive Housing Development
 - g. Rental Housing Rehabilitation
 - h. Homeownership Housing Development
5. Encourage energy efficient and sustainable design practices:
 - a. Develop a net zero code;
 - b. Educate contractors;
 - c. Coordinate with Tucson Electric Power, the University of Arizona and Arizona State University to educate the public regarding design and retrofit guidelines.
 - d. Work with the manufactured housing industry to incorporate energy efficient and sustainable design standards and ideas from site-built units.
6. Establish a structure to ensure on-going identification of and application for federal, state and private resources to leverage and support goals and objectives. When pursuing additional resources, focus on collaborative project and program development similar to that utilized to secure NSP2 resources.

ATTACHMENT 1 HOMELESS FACILITIES INVENTORY

TABLE A - EMERGENCY SHELTER			
Organization	Program	Serves	
Emerge	West House	Single males and households with children	
COPE	Arizona Hotel	Single males and females	
Emerge	Casa Amparo	Single females and households with children	
Emerge	TCWC	Single females and households with children	
Emerge	AVA DV victims	Single females and households with children	
Giving Tree	GTHT voucher	Single males and females and Households with children	
Giving Tree	GTC HH with children	Single males and females and Households with children	
Gospel Rescue	Women & Children (Bethany)	Single females and households with children	
Gospel Rescue	Men's Shelter	Single males	
Jackson Center	Project A (Vouchers)	Single males and females and Households with children	
New Beginnings	Family ES	Households with children	
Open Inn	Crisis Shelter	Single males and females	
Open Inn	Youth Crisis Shelter	Youth males and females (< 18 yrs old)	
Open Inn	Linden	Youth males and females (< 18 yrs old)	
Open Inn	Louis	Youth males and females (< 18 yrs old)	
Our Family Services	Reunion House	Youth males and females (< 18 yrs old)	
Primavera Foundation	Men's Shelter	Single males	
Primavera Foundation	P&I Voucher	Single males and females and Households with children	
Primavera Foundation	Greyhound Family Shelter	Households with children	
Salvation Army	Hospitality House	Single males and females and Households with children	
TPCH	One Step Beyond	Single males and females	
TPCH	Project Hospitality	Single males and females and Households with children	
TPCH	Operation Deep Freeze	Single males and females and Households with children	
		TOTAL YEAR-ROUND EMERGENCY SHELTER BEDS	631
Source: Tucson Planning Council for the Homeless "Pima County Housing Inventory 2009"			

TABLE B - TRANSITIONAL HOUSING			
Organization	Program	Serves	
AZ Housing & Prevention	New Chance	Single males and females	
Comin' Home	Operation Desert Hope	Single males and females	
Comin' Home	Second Tour	Single males and females	
Comin' Home	VIP Veterans	Single males and females	
Comin' Home	Substance Abuse	Single males and females	
COPE	Bridges	Single males and females	
Emerge	Wings of Freedom TH	Single females and households with children	
Emerge	DES Transitional DV	Single females and households with children	
Esperanza En Escalante	Esperanza En Escalante	Single males	

ATTACHMENT 1 HOMELESS FACILITIES INVENTORY

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TABLE B - TRANSITIONAL HOUSING

TABLE B - TRANSITIONAL HOUSING			
Giving Tree	GTHMS	Households with children	
Gospel Rescue Mission	Women's	Single females and households with children	
Gospel Rescue Mission	Men's TH	Single males	
New Beginnings	La Promesa	Single females and households with children	
New Beginnings	Bridges	Single females and households with children	
New Beginnings	Mariposa	Single females and households with children	
Old Pueblo	Homeless Veterans	Single males and females	
Old Pueblo	New Chance	Single males and females	
Old Pueblo	Casa Mariposa	Single females	
Old Pueblo	Oasis House for Women	Single females	
Old Pueblo	Casa Santa Clara	Single males	
Old Pueblo	Men in Transition	Single males	
Old Pueblo	Oasis Project	Single males and females and Households with children	
Open Inn	La Casita	Youth males and females (< 18 yrs old)	
Open Inn	CASA	Single females and households with children	
Open Inn	Bridges	Single males and females	
Open Inn	TALP	Single males and females	
Open Inn	Your Place	Single males and females and Households with children	
Our Family	Teens in Tran.-Young Adult Independent Living	Households with children	
Our Family	Common Unity	Single females and households with children	
Our Family	King St.	Single females and households with children	
Our Family	Teens in Trans.- Tucson	Single males and females	
Our Family	Teens in Trans.-La Casita	Single males and females and Households with children	
Pio Decimo Center	Pio Decimo Ctr	Households with children	
Primavera Foundation	CASA I	Households with children	
Primavera Foundation	CASA II	Households with children	
Primavera Foundation	Bridges	Households with children	
Primavera Foundation	Casa Paloma	Single females	
Primavera Foundation	Women in Transition	Single females	
Primavera Foundation	Catalina House	Single males	
Primavera Foundation	Five Points	Single males and females	
Primavera Foundation	Winstel	Single males and females	
Primavera Foundation	TH Disabled	Single males and females and Households with children	
Salvation Army	CASA I	Single males	
Salvation Army	Hospitality House	Single males and females	
Salvation Army	CASA II	Single males and females and Households with children	
Salvation Army	DV Vouchers	Single males and females and Households with children	
Southern AZ AIDS Foundation	SAAF HOPWA	Single males and females and Households with children	
TMM Family Services	Family Journey	Single females and households with children	

ATTACHMENT 1 HOMELESS FACILITIES INVENTORY
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TABLE B - TRANSITIONAL HOUSING			
		TOTAL ASSISTANCE	1694
Source: Tucson Planning Council for the Homeless "Pima County Housing Inventory 2009"			

TABLE C - PERMANENT SUPPORTIVE HOUSING			
Organization	Program	Serves	
CODAC	Solitude	Single males and females	
CODAC	SPC2	Single males and females and Households with children	
CODAC	SPC/TRA	Single males and females and Households with children	
CODAC	Supportive Housing Prog.	Single males and females and Households with children	
Comin' Home	Second Tour	Single males and females	
Comin' Home	Pathways	Single males and females	
Comin' Home	Shelter Plus Care IV	Single males and females	
Comin' Home	Shelter Plus Care III	Single males and females and Households with children	
Comin' Home	EI Portal	Single males and females and Households with children	
Compass Health Care	Vida Nueva	Single females and households with children	
Compass Health Care	Safe Harbor II	Single males and females	
Compass Health Care	Libertad	Single males and females and Households with children	
COPE	SPC2 voucher	Single males and females and Households with children	
COPE	Life Works	Single males and females	
COPE	S+C TRA-PIMA voucher	Single males and females and Households with children	
Emerge	Wings of Freedom DV victims	Single females and households with children	
Emerge	SHP DV victims	Single females and households with children	
Esperanza En Escalante	Shelter Plus Care	Single males and females	
Giving Tree	Our Home	Single males and females and Households with children	
Gospel Rescue	Women's LT Recov	Single females and households with children	
La Frontera	Pathways LFC	Single males and females	
La Frontera/CPSA	Shelter Plus Care-TRA-Pima	Single males and females	
La Frontera/CPSA	SPC3	Single males and females	
Southern AZ AIDS Foundation	SAAF Supportive Housing	Single males and females and Households with children	
Southern AZ AIDS Foundation	Shelter Plus Care	Single males and females and Households with children	
Southern AZ AIDS Foundation	HOPWA	Single males and females and Households with children	
Southern AZ VA Health Care System	HUD-VASH		
TMM Family Svcs	SPC 3	Households with children	
		TOTAL ASSISTANCE	977
Source: Tucson Planning Council for the Homeless "Pima County Housing Inventory 2009"			

ATTACHMENT 2 - STAKEHOLDER AND PUBLIC FORUMS MEETING SUMMARIES AND SIGN-IN SHEETS

Homelessness (1/14/10)

Comments

- Homeless needs and data are well-documented in the Continuum of Care.
- The institutional structure is not one that is truly collaborative or interdependent; competition among providers remains an issue.
- There is no definition of what constitutes a “consumer-oriented” system. An essential step is developing a standard that defines and measures this.
- A bridge (resources) to move households from higher rent units to lower rent units are needed to prevent homelessness.
- There is no model that demonstrates the cost-benefit of preventing homelessness through foreclosure or eviction.
- Refinancing, restructuring and loan modifications are not really happening.
- The TPCH and its members need to stay focused on the Continuum of Care and increase coordination to overcome funding and budget problems.
- Rental assistance is not an effective tool for special populations who need permanent and supportive housing.
- Unemployment and few jobs have increased the needs of many households.
- Health and prevention education are key activities to move people through the continuum and to avoid first-time homelessness. Budgeting and the impact of personal habits on household stability are key pieces of education.
- Veterans have access to homeless resources and need continued support and priority.
- Specific sites are needed to shelter the chronically homeless.
- More shelter beds with easy access are needed for the chronically homeless.
- Public education regarding homelessness and the associated stigma is essential.
- Prisoner re-entry volume is increasing and will continue to increase with state budget problems. Were these people sentenced to homelessness?
- Crime free and drug free housing policies prevent the housing of many populations.
- Many homeless people have pets that are not allowed in shelter or permanent housing.
- Homeless have difficulty obtaining ID and poor or no credit histories. These prevent them from obtaining housing.
- To be successful, all programs must include supportive services.
- A champion is needed for an effective public education campaign.
- Public education campaigns need to include success stories to reduce stigma and increase goodwill.

Strategies:

- Increase prevention resources to reduce number of first-time homeless.
- Provide short-term rental assistance until income increases.
- Increase rental assistance for all populations.
- Provide emergency rental assistance resources.
- Develop a flexible rental assistance program that can address the full continuum of needs from prevention through long-term support.
- Support personal financial education and budgeting programs.
- Continue to link housing and supportive service programs.
- Develop specific sites for emergency shelters.

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Rural Issues (1/20/10)

Comments

- Needs are diverse yet common
 - Vail
 - Recreation center, park expansion and additional services for youth.
 - No local food bank.
- Old Nogales Highway
 - Transportation services
 - Road improvements, street paving and river/wash crossings, street naming and signage, speed control especially for school bus routes.
 - Community center at the park that also provides youth programs.
 - Service providers are overworked/stretched thin.
 - Flooding and flood control
 - Water and Wastewater Quality
- Green Valley
 - Rental assistance is needed – 225 households could not be served past year.
 - General Needs:
 - Transportation, including transit vouchers and vans for door-to-door for elderly and disabled.
 - Education regarding how to access services and navigate systems, including health care and social services.
 - Administrative capacity building for sustainability.
 - Medical facilities, particularly for Alzheimer patients as no diagnostic centers in Southern Arizona.
 - Greater access to health care.
 - Employment opportunities are minimal.
 - Inadequate resources to ensure sustainability of programs and services.
 - In-home services for elderly and disabled.
 - 100 – 150 chemically sensitive individuals; many living seasonally in the area.
 - a. Safe, clean housing.
 - b. Organic produce and foods.
 - c. Additional Section 8 vouchers.
 - No one-stop employment services outside of the City of Tucson.
 - Rental assistance for all populations.
 - Training and support for care-givers.
 - Additional training and support for care-giver occupations as employment opportunities are available.
 - Child care.
 - Transportation and transit services for employees with non-traditional work hours (health care).
 - Water and Wastewater improvements are needed in Three Points, Why and other CD Target Areas.
 - Amado area has open pond system that negatively impacts environmental quality.
 - Old Nogales Highway area has primarily private or shared well and septic systems and no reports on water safety or quality have been conducted.
 - Parks expansion and community centers.
 - Additional access to health services. Mobile clinics provide services several times per month. School-based clinics serve children. Pre-natal clinics offered twice per month by volunteer doctors.
 - Pockets of poverty continue and need to be documented and identified.
 - a. Small area surveys may be needed to determine extent of low-moderate income.

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- Inadequate resources for large numbers of grandparents raising grandchildren.
- Fire departments need hydrants, equipment and EMT/ambulance support.
- Project Action is working to serve rural homeless/at-risk but additional documentation and data are needed.

Strategies

- Partner with schools to provide additional youth and community services.
- Provide support for volunteer programs, many of which are already well mobilized.
- Support prevention resources and education, including referral services, transportation and personal/household financial/budgeting.
- Support capacity building in rural areas to encourage sustainability of existing services and programs.
- Support volunteer education and services.
- Adaptive and extended reuse of Pima Community College facilities in Green Valley for needed community services.
- Continue support for food banks and nutrition programs; addition of support for community gardens and local farmer's markets.
- Support local small business enterprises, such as farmer's markets and community gardens.
- Support documentation of homeless and prevention services and data collection.

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Affordable Housing Development (1/20/10)

Strategies

- Inventory developable City and County land.
- Establish criteria for contributing City and County land to affordable housing projects. Establish the development of affordable housing as a significant community benefit to provide greater opportunity for contribution of City and County land to affordable housing development.
- Establish a capital fund that provides the nonprofit community an opportunity to acquire multi-family property.
- Establish a fast-track risk assessment and funds commitment process for the acquisition of foreclosed and for-sale multi-family property to provide the nonprofit community with access to capital in order to compete with investors.
- Consider Build America Bonds as a leveraging mechanism.
- Establish policies that provide for Community Land Trust and Land-banking activities that include mixed-use, mixed-income, commercial and industrial uses.
- Identify alternative mechanisms for funding City and County Housing Trust Funds. The City HTF is currently dried up, and the County HTF has only recently received its first voluntary contribution.
- Evaluate deep subsidies to provide for sustainability of housing targeted to extremely low-income and special populations.

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1-20-10 Affordable Housing Development

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Housing and Services for Refugees (1/21/10)

Comments

- Refugees are generally an upwardly-mobile population.
- Tucson has been attractive to refugees because of the employment opportunities, but that has changed in the last two years as unemployment has increased.
- Approximately 10,000 refugees have moved to Tucson since 1975, including approximately 3,000 in the past three years. Recent refugees are coming mostly from Bhutan, Iran, Iraq, Cuba, Afghanistan, and Somalia. Refugees are increasingly single people, although families with as many as 11 members are not unusual.
- The roles of organizations that support refugees include:
 - Advocacy
 - Relocation assistance
 - Case management
 - Employment services such as job readiness and job search
 - Development of employer relationships and placement networks
 - ESL
 - Housing, including furnishings
 - Education regarding how to engage social and government systems
 - Mental health services regarding cultural adjustment
- The primary needs of refugees include education, employment, cultural assimilation and housing. Supportive services such as child care, interpretation or language access resources, medical and health care, assistance with personal finance, and transportation are also needed.
- Many refugees face homelessness within one month of relocating to Tucson. While refugees are required to take any job at any pay that is offered, employment placement within 6 months has declined from 95% 2 years ago to less than 20% this year. Refugees receive \$425/person per month for the first 90 days. Thereafter, they must rely on other supports. Organizations that work with refugees rely heavily on private donations for homeless prevention. Much of their success is also attributed to volunteers, neighborhood support and cooperation, and landlords who are willing to accept tenants without a Social Security Number or Credit History. Fifty households have been referred to public housing in the last six months and seven are on the elderly/disabled waiting list; both Section 8 and public housing waiting lists are closed for non-elderly/disabled populations.

Strategies

- Development of a community garden;
- Adding refugees to the Pima County housing search engine to increase the likelihood of a positive tenant-landlord match;
- Acquisition of small multi-family properties;
- Direct leasing of rental units by agencies serving refugees;
- Community center near Grant and Alvernon that is open and available for refugee and community activities.

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Housing and Services for Immigrants (1/21/10)

Comments

- Community education regarding the positive economic impacts of immigrants.
- Renter and landlord counseling and education is critical to the future pool of homeowners. Too much emphasis is placed on homeownership education and counseling and not enough on rental education and counseling.
- Many undocumented and documented immigrants were not counted in the Census due to fear, therefore out-migration is difficult to document. However, school enrollment has declined indicating that out-migration is likely.
- Landlord education regarding crime-free housing is essential to provide not only immigrants but other needy populations the opportunity to integrate into society and have decent, safe and sanitary housing.
- Many long-time immigrants have lost housing due to job loss that is attributed both to a weak economy and recently enacted immigration laws.
- Immigrants often face landlord abuse, particularly those who own and live in small trailers placed on rented land. These pockets of rented land are Colonia-like in character. Written agreements are rare and cash payments are typical. Common practices include fluctuating cash payments, locking belongings inside trailers, calling the Border Patrol to report the family and then taking the trailer. This renders immigrants in this situation homeless.
- There are large numbers of mixed-status families, where several members are US Citizens, while others are not. Documented members face the same problems as undocumented members due to the desire to keep a family intact.
- Fear is disempowering at all levels of the system from individuals to human service providers and government employees.

Strategies:

- Support landlord and tenant education, specifically targeted to “what makes a good tenant”.
- Educate individuals, families, the business community, property managers, and nonprofit organizations regarding how to comply with immigration laws while providing opportunities for immigrants to assimilate.
- Develop a “now is the time to rent” education campaign.
- Support education of immigrants regarding Constitutional Rights, how to legally immigrate, deportation, and positive interactions with landlords, employers and law enforcement.
- Adopt a human rights ordinance that broadly and comprehensively reflects community values regarding the right to fair and equal housing opportunity for all people, including undocumented immigrants, refugees, convicted felons. Identify a non-governmental enforcement entity.
- Support community-based volunteers that assist like-situated individuals and families to understand how to navigate social and economic systems. For example, support promoters, as well as other populations (i.e. Somali volunteers to assist Somalis) with social and economic challenges and assimilation.
- Support the delivery of social and economic education through established systems such as Head Start and school systems.

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Special Populations (1/26/10)

Comments

- Seniors
 - o A safety net that includes food and housing is needed.
 - o Diminishing resources means that ALTCS is often the only alternative, even for young who are disabled.
 - o Transportation services are needed; many seniors are isolated due to inability to drive.
 - o Cars owned but not driven by seniors could become 24/7 assets if used in transportation program.
 - o Neighbors and the faith community are the most important assets and these programs need financial support.
 - o 1,800 seniors currently on waiting list for housing.
- HIV/AIDS
 - o Housing combined with health care is essential to stability.
 - o Stable HIV/AIDS patients pose less public health risk.
 - o Population is increasing by about 4.5% per year. Increases are due to increased diagnosis and immigration as well as increased longevity.
 - o Currently 2,271 diagnosed; undiagnosed adds approximately 25%.
 - o Most are low-moderate income; 65% are at or below poverty level.
 - o \$200/month is an affordable rent.
 - o Linkages among providers – particularly homeless and HIV/AIDS are essential.
 - o Success is dependent upon interface among housing and non-medical supportive services providers.
 - o For some patients, citizenship status is problematic.
 - o Declining AHCCCS resources leads to need for additional medical support resources.
- Mentally Ill and General Mental Health
 - o There are currently 21,453 adults and 8,325 children in the public mental health system.
 - o Among adults, 22% are SMI (qualifying diagnosis and disabled), while remainder are general mental health.
 - o Fifteen percent of mental health patients do not qualify for AHCCCS and this is the most vulnerable population.
 - o There are currently between 700 and 750 housing units, about 50% are scattered site.
 - o State budget problems present significant challenge to mental health services, with the greatest impact on those in crisis. Current focus is on people getting medication. Resources are down for room and board in residential treatment and flexible funding.
 - o Crime and drug free housing policies have essentially resulted in banishment from public, subsidized and assisted housing for persons with mental health issues. Many with mental health issues have co-occurring disorders – mental health + substance abuse.
- Disabled
 - o Existing programs have received level funding for years.
 - o 185 seniors are currently on waiting list for supportive services.
 - o Layered, complex needs demand broad strategies and resources to address.
 - o Many disabled have unrealized potential due to inadequate social and economic supports.
 - o Unemployment is approximately double typical population.

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Strategies:

- Support services that enable aging in place, such as minor rehabilitation, home modifications and repairs.
- Set-aside HOME resources for Section 202/811 projects.
- Provide additional social supports and respite services for care-givers.
- Support mental health services for seniors, who are often isolated and depressed.
- Support mental health awareness among care and support providers to assist in recognizing mental health issues among seniors.
- Support stipends for grandparents raising grandchildren.
- Support workforce development for mature workers.
- Support health literacy and self-advocacy education for seniors and disabled.
- Increase resources available for elder abuse education.
- Support Section 202/811 projects for HIV/AIDS diagnosed.
- Research Housing First/Pathway to Housing program as a possible model for providing housing and mental health services.
- Support a “second chance” program for those who cannot access public, subsidized and assisted housing due to history.
- Use HOME funds to support 811/202 projects for mentally ill.
- Increase operating and program support for existing programs.
- Increase LEED and energy-efficiency resources for long-term sustainability of residential and commercial facilities.
- Increase set-aside of units for extremely low and very low income households.
- Utilize HUD resources as matching funds for other resources.
- Support home modifications for seniors and disabled.
- Support employment training and job development for disabled.
- Expand the pool of volunteers, such as from Habitat for Humanity, to include home modifications, repairs and rehabilitation activities.
- Support mixed-income development that also includes units set aside for disabled.

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Tucson-Pima Co Consolidated Plan
Needs + Programs for Seniors + Persons with Disabilities
1-26-2010

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Human Services for Families/Meeting Basic Needs (1/26/10)

Comments

- Domestic Violence
 - The rate of domestic violence has increased 3 times with the economic downturn. DOJ reports support.
 - Women with multiple children are the last to be served.
 - Cost of shelter is \$57/night per person.
 - Identification, such as social security card or birth certificate is often needed before additional assistance can be provided.
 - No federal match for domestic violence programs.
 - The State is not mandated to provide services for victims of domestic violence making this population extremely vulnerable to state budget issues.
 - Biggest gap in funding and services is for the time between initial crisis and readiness for transitional housing. It takes 3-6 months for DV victim to be ready for transitional housing and programs.
 - 87% of DV victims are unemployed. Currently linked with YWCA – Y works employment program.
- Food Bank
 - 40% increase in demand for food this past year but 20% increase in actual households served. Approximately 175,000 – 200,000 unduplicated households throughout SE AZ.
 - More comprehensive nutrition is being offered.
 - Rely heavily on private donations.
 - Relationships with adjacent geographies have expanded service area but also provided opportunity for fresh produce distribution.
- General needs
 - Crisis assistance is important, but sustainability cannot be overlooked.
 - Many refugees and immigrants have much to offer but lack basic literacy and social and economic support services.
 - Isolation and depression are serious issues among seniors, disabled, refugees and others who do not work.
 - None of the rest matters without a safe place to live, yet shelter is not enough to meet basic human needs.
 - Continuum of services, much as defined in HMIS.
 - Sustainable family income that provides for future wealth building.
 - Don't overlook needs of seniors and disabled whose incomes will not increase.
 - A cost-benefit analysis of long-term and short-term investment in human services is needed. For every \$1 invested, what is the revenue stream?

Strategies

- Maintain City CDBG support for crisis funding.
- Recognize domestic violence as a serious public safety issue.
- Develop a combined City of Tucson and Pima County Human Services Plan.
- Support EITC programs.
- Support literacy programs.
- Support farmer's markets and community gardens as economic development and job training activities.
- Increase homeless prevention resources.
- Strengthen the organizational structure of the human services industry through a unified leadership and vision that begins with a shared definition of "basic needs".

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- Support community volunteer networks and programs.
- Link support of education and employment activities to primary economic development activities, such as the “solar city”.
- Support a continuum of services from crisis through thriving families.
- Support programs that provide prepared meals, in-home care and activities of daily living for the elderly and disabled.

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Tucson - Pima County Consolidated Plan
Human Services for Families
1-26-2010

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Building for Energy Efficiency (1/26/10)

Comments

- The goal is to increase the efficiency of major systems to provide for long-term affordability and sustainability. Currently energy costs are stable due to the economic downturn, otherwise costs are generally increasing. The more poorly a structure is built, the more costly it is to operate in the long run; this is often the case with starter housing. Transportation cost and accessibility, and indoor air quality are part of the equation when considering energy efficiency improvements and programs.
- Many people do not recognize that electricity consumes a lot of water, so electric heat pumps or air conditioners are not more efficient than evaporative cooling.
- Pima County is the only local government to provide LEED certification.
- The movement is towards long-term cost savings, increased health and therefore increased employee productivity.
- As demand for materials increases, costs have decreased.
- Many energy-efficiency improvements and techniques are no or low-cost.
- The cost of LEED Silver adds about 2% to total development costs.
- Many nonprofits' office and commercial spaces are not energy efficient but the costs of retrofit are high.
- Operating costs of nonprofit organizations could be reduced through increased energy efficiency in office and commercial spaces.
- Regulatory barriers continue to be problematic for contractors – streets, parking are biggest barriers.
- There is a need for large homes for families with 6+ members and energy efficiency is essential in these units.

Strategies

- Incorporate energy efficiency improvements into rehabilitation and development standards. Ensure these standards recognize conservation as most cost effective strategy.
- Develop models for nonprofit-private partnerships to increase commercial building energy efficiency while providing tax rebates and incentives to private sector that can benefit.
- Recognize that energy efficiency improvements decrease cost burden and go beyond improving living conditions.
- Create relationships with lenders to recognize LEED standard and offer energy-efficient mortgages and commercial financing.
- Develop a net-zero code.
- Support contractor education programs to encourage energy-efficient construction and rehabilitation.

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Tucson-Pima Co Consolidated Plan
Building for Energy Efficiency
1-26-2010

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Single-family Housing Development and Rehabilitation (1/27/10)

Comments

- Smaller lots allow for more energy-efficient design.
- Design guidelines for energy efficiency are available through the University of Arizona Drachman Institute.
- Energy-efficient home designs are available to nonprofits producing affordable housing.
- Financing for manufactured housing replacements is a significant barrier.
- AZ5 ReGreen standards have been developed by the Arizona State University Stardust Center. These standards provide energy efficiency retrofit guidelines.
- 40% of City of Tucson rehabilitation activities are with manufactured housing.

Strategies

- Work with the manufactured housing industry to incorporate design standards and ideas from site-built units.
- Provide links to Drachman Institute and ASU Stardust Center building, retrofit and design standards.
- Promote public education regarding energy efficient design and retrofit.
- Support a demonstration project with manufactured housing industry that incorporates energy efficiency and unique design features.
- Incorporate building orientation into site plan review process.
- Continue to replace manufactured housing.

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Tucson-Pima Co Consolidated Plan
Single-Family Housing and Rehabilitation
1-27-2010

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MEETING SUMMARIES AND SIGN-IN SHEETS
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Analysis of Impediments to Fair Housing Choice (2/3/10)

A presentation was made by the Southwest Fair Housing Council on the contents of the Analysis of Impediments to Fair Housing Choice (AI). Comments from the public and stakeholders were solicited.

Comments

- Local government has little control over shifts in demographics beyond promoting education and supporting enforcement efforts.
- The population of Tucson is becoming increasingly minority and the potential for more than 50% of the population to be a racial or ethnic minority is likely.
- Regional planning is necessary to promote greater diversity through housing choice.
- The defined areas of minority concentration include census tracts where the proportion of minorities is smaller than the proportion of minorities in the population as a whole.
- A more accurate definition of minority concentration would be one in which the proportion of minorities is at least 10% greater than the proportion of minorities in the population as a whole.
- The Westchester decision is concerning. Many areas of minority concentration are also the oldest areas of the community. Redevelopment strategies must be implemented but avoiding the appearance of further concentrating minorities through additional affordable housing opportunities has the potential for making those strategies unavailable.
- There are limitations on the American Community Survey data:
 - a. Data is not provided at the Census Tract level.
 - b. Data for smaller geographies is not available.
 - c. Sampling sizes are small and margins of error are high; consequently the data may not accurately portray population characteristics.
 - d. Due to changes in sampling from the 2000 Census, there is no ability to identify trends, only current conditions.
 - e. Sampling consistency is necessary before we can accurately demonstrate a trend.

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Analysis of Impediments to
Fair Housing
2-3-10

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Foreclosures and Predatory Lending (2/3/10)

This session focused on trends in foreclosure and prevention and loan modification programs. A report by the Federal Reserve Bank of San Francisco was made. This report indicates that nationwide of 850,000 requests for modifications, 112,000 (13%) had been approved and 66,000 (7%) accepted.

Comments

- Loan modification scams are prevalent.
- Consumers need to be educated regarding the loan modification process and how to avoid scams.
- The change in FHA flipping rules, intended to benefit NSP grantees, has resulted in a new wave of real estate investment trusts.
- The new flipping rules could lead to non arms-length transactions within real estate investment trusts, artificially inflating home values.
- The only option for real loan modification is to file for bankruptcy.
- Borrowers need to be educated regarding how the loan modification process can buy them time but may not stop the foreclosure.
- Changes to RESPA have removed consumer protections.

Strategies

- Support training and education for housing, default and credit counselors.
- Support testing for loan modification scams is needed (like testing for fair housing violations).
- Continue to support consumer credit education.
- Add information on loan modification scams to the Don't Borrow Trouble program.
- Support housing and default counseling agencies to provide for extended hours.
- Increase resources to follow up to scams and frauds.
- Advocate for changes in the foreclosure process (State statute) to require a second notice before foreclosure.
- Educate renters about their rights when the unit they occupy is foreclosed.
- Advocate for disclosures in loan modifications to avoid predatory practices.
- Fully fund nonprofit prevention programs.
- Advocate for bonding requirements in loan modification businesses.
- Support financial literacy education in high schools. Educate the public education system regarding the cost of foreclosures to their budgets.
- Advocate for required financial literacy education among real estate licensees. Make financial literacy education a requirement.

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Foreclosures
2-3-10

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Increasing Income in a Recession (2/3/10)

This discussion focused on how statutes related to HUD programs can help to increase household income and employment opportunities. The discussion focused on Section 3 and Davis Bacon and related acts. There was also discussion about CDBG Section 108 as a potential resource for an economic development loan fund.

Strategies

- Expand the pool of potential contractors through training and capacity building regarding HUD program requirements.
- Add Section 3 contractors to the existing MBE/WBE process.
- Incorporate Section 3 training into pre-bid conferences.
- Rethink HUD program requirements, recognizing the positive potential of these requirements despite the intensive administrative requirements.

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Increasing Income
Using HUD Programs
2-3-10

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Transportation and Housing Affordability (2/16/10)

Comments

- Housing affordability needs to be looked at from the “whole cost” approach.
- Interest rate buydowns can be more effective than reducing construction costs in making a monthly payment more affordable. In terms of monthly costs to the homebuyer, reducing construction costs by \$16,000 will reduce monthly housing costs by about \$100. Buying down the interest rate approximately 1 ¾% will have the same effect for less dollars spent and less human resources invested.
- After 10 miles from center city, transportation costs exceed housing costs.
- The 30% rule really only works for 80% - 120% AMI.
- The proposed affordability for H+T is between 45% and 48%.
- If we can reduce a household from one car to two cars, we can save \$6900/year.
- A median income family driving 25,000 miles/year in two cars will spend \$15,200/year average for transportation.
- Addressing housing problems requires a combination of location, land use and transportation strategies combined with housing strategies.
- But we still have what we have and we still need to work with what exists.
- Regional planning for housing and land use is essential.
- From the community standpoint, if 500,000 households each spend \$15,000/year for transportation the total cost is \$7.5B.
- The current system is expensive but not efficient.
- Central city structures and vacant land are prime opportunity for new affordable and mixed use, mixed income housing.
- The ADOH 2010 QAP recognizes transit-oriented design, making LIHTC projects on transit corridors fundable.
- Social equity + Economic Prosperity + Ecological Integrity = Sustainability
- Where do services fall in this equation?
- More housing is needed for singles and for families (divorce).
- Need to rethink how communities are developed – sidewalks, bike paths, lighting and connectivity are all essential.
- Legal documents (i.e. deed of trust, promissory note, land use restriction agreements) need flexibility. One size fits all is a barrier.

Strategies

- Open dialogue with the RTA regarding the housing and transportation planning need.
- Work with existing neighborhoods to develop visions and a sense of place that will drive revitalization.
- Housing as a community benefit policy is needed.
- Acquire properties for landbanking and development using CDBG funds. Also need to consider other public land, such as that owned by ADOT and school districts.
- Support applications for outside resources that include sustainability components. Add sustainability to risk assessment.
- Include in development agreements requirements to invest in the surrounding neighborhood when that neighborhood is low income.
- Incorporate sustainability principles into the General Plan.
- Require affordable housing strategies as part of major rezonings.
- Look at mixed use from the larger site or even neighborhood context rather than project by project.
- Reuse abandoned strip centers.
- Include HUD Transportation Energy Efficiency partnership actions in geographic modeling.
- Consider reduced parking requirements for units located near transit corridors.

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- Need easy to follow policies on transit-oriented and mixed income, mixed use development.
- Consider optional overlay zoning districts to make mixed income, mixed use possible (prop 207).
- Consider housing on unused space. One model is Silverlake Park.
- Consider building up, with underground parking and housing above.
- Encourage the use of the infill incentive district.
- Identify areas for housing development where you don't need a car.
- Take advantage of location-efficient mortgages.

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2-16-10

Consolidated Plan - Hsg + Transportation

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Revitalization and the Federal Agenda (2/16/10)

Comments

- Begin now to plan for sustainability initiatives, including Choice Neighborhoods (an expansion of HOPE VI) and Catalytic Investments for Economic Development.
- The increasing federal focus on categorical grants v. entitlements represents new opportunities, but applying for and managing categorical grants is expensive and staff intensive.
- Translating the vision that we have all been talking about to actual implementation is a challenge.
- Consider having PAG, which also does human services and other planning as the organization to also develop the Consolidated Plan.
- Need to pay attention to lessons learned from NSP2 – considering partners holistically v. independently to develop a common strategy, always be on the lookout for leverage, consider unplanned opportunities (e.g. microloan program discussion is coming from NSP2 relationships and discussion).
- One barrier is engaging the public in Consolidated Planning.
- Changing the focus of nonprofits towards return on investment strategies is another barrier. Nonprofits don't think this way and need a common language and message to increase their political profile.
- In NRSA, dedicated funding for staff is critical.
- Another level of capacity or leadership is needed.
- Revitalization strategies need a key person.
- Tucson needs to target resources, for example in the warehouse district.
- More inter-departmental coordination is needed to take advantage of new resources and really make a difference in revitalization and sustainability.
- Sustainability among leadership is needed too – succession planning is essential.
- Need to find community leaders who can also mentor and volunteer to create more community leaders. Without this revitalization stops until new key person steps in.
- Institutional structure – leadership at all levels is needed.
- Consider a neighborhood sustainability threshold that includes all of the positive indicators of a healthy, thriving neighborhood. This would replace the stress index, which looked at what was wrong not right.
- Many business people and economic developers don't understand what affordable housing is or how low-income people can benefit business.
- Sometimes the permanent affordable housing needs to be built first before the middle and higher income housing developers will consider an area.
- Need to define the role of affordable housing in neighborhoods.
- Section 108 loans for redevelopment and economic development of vacant buildings or in the warehouse district.
- Consider SROs for entry-level workers in the downtown.
- Lenders do not understand how to fund mixed-use development, both at the individual-microbusiness level and the larger mixed commercial-residential level.
- Sustainability: Not just for new development

Strategies

- Be the catalyst for affordable housing in downtown by developing while the economy is slow and other development is not occurring.
- Values statements are essential to sound planning at all levels. A vision and strategy based in common values is essential for successful downtown redevelopment. Right now, the vision is built on a project-by-project basis rather than projects building towards the vision.
- Need a downtown revitalization strategy that defines affordable housing.

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- Business infill incentive districts, renewable energy incentive districts are both opportunities for development.

2-16-10
Consolidated Plan - Revitalization + Federal Agenda

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Public Private Partnerships (2/17/10)

Comments

- Mini-dorms are springing up in the University area. Need a more proactive approach to zoning and design.
- Positive approaches to neighborhood development are needed.
- Public v. private responsibilities in affordable development are unclear.
- The urban core has too many obstacles to development – scale, vacant land, small projects are difficult to manage, NIMBY.
- The long-term benefits to households are unclear. How do we measure this?
- Questions about scattered sites v. multi-family as best options remain.
- Adequate marketing to the private sector is essential to their involvement.
- Be more proactive in outreach to private sector in planning.
- Need examples of good design.
- Need an intermediary to assemble sites and bring them to developers.

Strategies

- Designate areas (blessed by City Council) to receive set asides and preferences.
- Make a wish list of projects and programs and provide for private sector involvement in solutions.
- Start in neighborhoods where existing residents may be more open – e.g. those where mini-dorms are being built.
- Utilize optional overlay zoning whenever possible.

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2-17-10
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ATTACHMENT 3 - CITY OF TUCSON & PIMA COUNTY CITIZEN PARTICIPATION PLANS

Citizen Participation Plan For Pima County's Community Development Block Grant Program

Prior to beginning a new program year, the County holds approximately fifteen public hearings, meetings and/or workshops to solicit public input on the past year's project performance and recommendations for new project allocations for the upcoming program year.

Pima County holds public meetings in identified CDBG target areas. These meetings are designed to discuss target area needs and eligible uses of CDBG funds relative to the identified needs. In addition, the Pima County Board of Supervisors, the Marana Town Council and the South Tucson City Council hold CDBG public meetings. The County also provides technical assistance workshops for non-profits interested in applying for CDBG funds.

The hearings are advertised through public notices and are published in the non-legal section of the Tucson Citizen and the Arizona Daily Star. These notices indicate the date, time and location of the scheduled meetings and list the topics to be considered. Notices are also placed in local area publications and mailed directly to County residents when feasible.

Citizens are encouraged to submit their questions, comments and criticisms regarding the County CDBG process or program. These comments may be presented at the public meetings, through the mail or in person at the Pima County Community Development and Neighborhood Conservation Department. The County provides written responses within 5 working days from the date that the comment is received.

Public input is used to draft a list of projects to be recommended for funding for the upcoming program year. The public may comment on this draft statement, which is reviewed and adopted by the Board of Supervisors, prior to submitting the Annual Action Plan to HUD.

Access to Records – Pima County will provide citizens, public agencies and other interested parties with reasonable and timely access to public records relating to their past use of HOME, ESG, and CDBG and related assistance for the previous five years. This information shall be made available to interested parties as requested.

Adoption of Citizen Participation Plan - Prior to the adoption of the Citizen Participation Plan, notices will be placed in local newspapers, stating that the Plan is available for public review and comment. This Citizen Participation plan is anticipated to be adopted by the Pima County Board of Supervisors and the Tucson City Council with the scheduled adoption of each jurisdiction's Consolidated Plan, anticipated to occur in May of any given year.

Comments Received at Public Hearings – Prior to transmitting any Consolidated Plan, substantial amendment, Performance Report or other activity mandating a public hearing, the Consortium shall convey any comments or views of citizens received in writing or orally at public hearings. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to final submissions conveyed to HUD.

Criteria and Process for Amendments to Consolidated Plan – Should the Consortium cause one of the following items to occur, it would be construed as an amendment to their Consolidated Plan:

To make a substantial change in the allocation priorities or methods of distribution delineated in the plans. "Substantial" in this context is defined as:

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CITY OF TUCSON AND PIMA COUNTY CONSORTIUM 2010 – 2015 HUD CONSOLIDATED PLAN

1. Changes in any method of distribution for HOME, ESG or HOPWA resources that will alter the manner in which funds are allocated to individual projects or entities identified in the Annual Plan by at least 20% of any annual allocation, subject to other program requirements in the CFR as applicable.
2. Changes that are made to funding priorities in the Consolidated Plan (including prospective changes to McKinney programs and distribution methods) over time when not undertaken through annual submission requirements stipulated by HUD.
3. Project deletions or changes made in allocation priorities or methods of distribution that have the effect of changing the funding level of individual CDBG projects identified in its Annual Plan by more than 10% of the annual funding level, subject to other program requirements in CFR as applicable. Any new project funded with CDBG resources must be noticed to the public prior to funding, as well as significant changes in the use of CDBG funds from one eligible activity to another.
4. To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the action plan;
5. To substantially change the purpose, scope, location, or beneficiaries of an activity. This refers to changes that are made to projects to be funded in the Consolidated Plan when not undertaken through annual submission requirements stipulated by HUD.
6. Significant changes in the use of CDBG funds from one eligible activity to another.

Should “substantial” amendments be made to any aspect of the Consolidated Plan, after its formal adoption, the Consortium will undertake the following:

1. Inform local governments
2. Provide reasonable notice of the proposed amendment/s in the local newspaper to enable review and comment by the public for at least 30 days. Conduct a public hearing on the subject of the proposed amendment during the 30-day comment period, consistent with Sections III through VI noted herein.
3. Submit the amendment/s to the responsible Governing Board/s for approval.
4. Upon termination of the 30-day comment period, notify HUD of any amendments executed, citizen comments received and the response/s by the Consortium.

Pima County Displacement Plan

The Consortium will minimize the displacement of persons assisted through the use of CDBG, HOME, or ESG resources. The policies to be followed are enclosed as an attachment to this document. For efforts other than acquisition or rehabilitation, the Consortium may utilize adopted local policies concerning displacement assistance

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City of Tucson Citizen Participation Plan/Anti-Displacement Plan

Applicability

This document has been prepared concerning the citizen participation planning regulations applicable under Consolidated Plan submittal requirements noted under 24CFR 91.105. This citizen participation plan applies to the City of Tucson and Pima County, which are submitting a Consolidated Plan covering FY 2010 – 2014.

Consolidated Plan Summary

HUD regulations noted in 24CFR 91.105 require the preparation of a Consolidated Plan for the City of Tucson and Pima County HOME Consortium, hereinafter referred to as the Consortium. The Consolidated Plan is a document that will be prepared in draft form by May of a given year and which includes needs, priorities, and long and short – term strategies concerning affordable housing, homeless/special needs, priorities and community development issues in the region. This Consolidated Plan also serves as a long and short- term investment guide for federal Community Development Block Grant (CDBG), Emergency Shelter Grants (ESG), HOME and housing Opportunities for Persons with Aids (HOPWA) resources in the region from FY 2010 - 2014.

Provisions of the Citizen Participation Plan

I and II. Encouragement of Citizen Participation and information to be Provided—In order to encourage citizen participation, the following efforts shall be undertaken by the Consortium.

- 1) Consult with the Metropolitan Housing Commission, the Housing Rehabilitation Collaborative, and the Tucson Planning Council for the Homeless. As needed and applicable, the Consortium will also consult with low-income residents of targeted revitalization areas in which federal projects are anticipated. The Consolidated Plan will be made available to local housing authorities on a continuing basis for the purpose of making it available for and public hearings to be held under HUD Capital Grant Program or Public Housing Agency Plan established pursuant to 24CFR Part 903.
- 2) The Consortium shall hold at least two public hearings concerning the Consolidated Plan. The first meeting shall be held during Consolidated Plan formulation and preparation, while the second shall be held once the draft Consolidated Plan has been completed. One or both of the public meetings shall include the following items:
 - The amount of CDBG, ESG, HOPWA and HOME resources anticipated to be made available on a fiscal year basis, and the eligible range of activities that may be undertaken concerning such federal programs
 - The Amount of CDBG, ESG, HOPWA and HOME resources anticipated to benefit very low-and low-income persons on a fiscal year basis.
 - Plans to minimize the displacement of persons from the intended uses of CDBG, ESG, HOPWA, and HOME resources anticipated to be invested during any given fiscal year.
 - Perspectives in priorities and housing and community development needs.
 - Other aspects of the Consolidated Plan as applicable.
- 3) On or before May 1 of any given year the Consortium will make available their draft Consolidated Plan and the previous years Comprehensive Annual Performance Evaluation Report (CAPER) on the City and County websites for a 30 –day public comment period. The public shall be noticed of this fact in

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CITY OF TUCSON AND PIMA COUNTY CONSORTIUM 2010 – 2015 HUD CONSOLIDATED PLAN

- the local news paper and will be apprised of the location where citizens may review copies or draft Consolidated Plans and relevant Comprehensive Annual Performance Evaluation Reports (CAPER).
- 4) On or before mid September of any given year, the Consortium will make available their draft Comprehensive Annual Performance Evaluation Reports (CAPERS) for the previous fiscal year on the City's website for the mandatory 15- day public comment period.
- III. Access to Records—The Consortium will provide citizens, public agencies, and other interested parties with reasonable and timely access to public records relating to their past use of HOME, ESG, CDBG and HOPWA and related assistance for the previous five years. This information shall be made available to interested parties as requested and noticed as such.
 - IV. Technical Assistance-- The Consortium will provide assistance to very low- and low- income persona and groups representative of them and that request such in developing proposals for funding under the CDBG, ESG, HOPWA, or HOME resources stated in their Consolidated Plans. Such assistance will be provided to interested parties as requested and noticed as available
 - V. Public Hearings— Public hearings to be conducted by the Consortium shall be held at times determined by them. All public hearings shall be noticed with a minimum one week lead time before the actual meetings are conducted and be noticed in the local newspaper. All postings shall include relevant information to permit informed citizen comment.

Where applicable, a bilingual Spanish/ English) staff person shall be present at public hearings to meet the needs of non-English speaking residents where a significant number of non- English speaking residents can be reasonably expected to participate. All public hearings to be conducted will be held at times and locations convenient to prospective program beneficiaries, and be conducted with accommodations for persons with disabilities as requested in advance by at least three days. Specific determinations on the issues noted above shall be made by Consortium staff on a case-by-case basis.
 - VI. Comments and Complaints—Any citizen, organization or group desiring to make a complaint may do so in writing or verbally during the public hearings. Any citizen organizations or groups may also make their views and/or complaints known verbally or in writing to the City and or/County. At all times citizens have the right to submit complaints directly to the Department of Housing and Urban Development as well. The Consortium shall respond to citizen complaints, grievances, or comments, in writing within 15 working days. The response will include a description of any action that will be taken as a result of citizen comments.
 - VII. Adoption of Citizen Participation Plan-- Prior to the adoption of the citizen participation plan, it will be noticed as available in the local newspaper, stating that the Plan is available for public review and comment. The Citizen Participation plan is anticipated to be adopted by the Pima County Board of Supervisors and the Tucson City Counsel with the scheduled adoption of each jurisdiction's Consolidated Plan, anticipated to occur in May of any given year.
 - VIII. Comments Received at Public Hearings—Prior to transmitting and Consolidated Plan, substantial amendment, Performance Report or other activity mandating a public hearing, the Consortium shall convey any comments or views of citizens received in writing or orally at public hearings. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to final submissions conveyed to HUD.
 - IX. Criteria and Process for Amendments to Consolidated Plan—Should the Consortium cause one of the following items to occur, it would be construed as an amendment to their Consolidated Plan.

ATTACHMENT 3 - CITY OF TUCSON & PIMA COUNTY CITIZEN PARTICIPATION PLANS

CITY OF TUCSON AND PIMA COUNTY CONSORTIUM 2010 – 2015 HUD CONSOLIDATED PLAN

- 1) To make a substantial change in the allocation priorities or methods of distribution delineated in the plans. “Substantial” in this context is defined as:
 - a) Changes in any method of distribution for HOME, ESG, OR HOPWA resources that will alter the manner in which funds are allocated to individual projects or entities identified in the Annual Plan by at least 20% of any annual allocation subject to other program requirements in the CFR as applicable.
 - b) Changes that are made to funding priorities in the Consolidated Plan (including prospective changes to McKinney programs and distribution methods) over time when not undertaken through annual submission requirements stipulated by HUD.
 - c) Project deletions or changes made in allocation priorities or methods of distribution that have the effect of changing the funding level or individual CDBG projects identified in its Annual Plan by more than 10% of the annual funding level, subject to other program requirements in 24CFR Part 903 as applicable. Any new project funded with CDBG resources must be noticed to the public prior to funding, as well as significant changes in the use of CDBG funds from one eligible activity to another.
- 2) To carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the action plan;
- 3) To substantially change the purpose scope, location, or beneficiaries of an activity. Changes that are made to projects to be funded in the Consolidated Plan over time when not undertaken through annual submission requirements stipulated by HUD;
- 4) Significant changes in the use of CDBG funds from one eligible activity to another.

Should “substantial” amendments be made to any aspect of the Consolidated Plan after it’s formal adoption the Consortium will undertake the following (refer to 91.195(b)(2)(iv) and (b)(6)).

- 1) Inform local Governments
- 2) Provide reasonable notice of the proposed amendment/s in the local newspaper to enable review and comment by the public for at least 30 days. Conduct a public hearing on the subject of the proposed amendment during the 30-day comment period, consistent with Sections III and VI noted herein.
- 3) Submit the amendment/s to the responsible Governing Board/s for approval.
- 4) Upon termination or the 30-day comment period, periodically notify HUD of any amendments executed, citizen comments received and the response/s by the Consortium.

X. City County HOME Consortium Displacement Plan

The Consortium will minimize the displacement of persons assisted through the use of CDBG, HOME, ESG, or HOPWA resources. The policies to be followed are enclosed as an attachment to this document. For the efforts other than acquisition or rehabilitation, the Consortium may utilize adopted local policies concerning displacement assistance.

ATTACHMENT 4- GLOSSARY

AMI – Area Median Income

CDBG – Community Development Block Grant

CDP – Census Designated Place

Colonias –Communities that meet the federal definition of lacking sewer, wastewater removal, decent housing, or other basic services. Colonias also must be located within 150 miles of the Mexico border.

Community Development Target Areas – Areas targeted for assistance based on household income. To be eligible, an area must have more than 51% of the households below 80% of the median family income as determined by HUD based on the decennial census.

Cost Burdened Households – Households that spend 30% or more of their income on housing costs

Elderly Households – 1 or 2 person households in which at least one person is over the age of 65 years

ESG – Emergency Shelter Grant

FMR – Fair Market Rent

HH – Household

Large Families – Families with 5 or more related members

Low and Moderate Income Households –Households with incomes below 80% of the median household income as established by HUD. Low income households are below 50%, while moderate income households are between 50% and 80% of the median.

Low and Moderate Income Target Areas – A census block group that has more than 51% of the households at or below 80% of the Median Family Income as determined by HUD based on the U.S. Decennial Census. Special surveys are also conducted to define some target areas.

MFI – Median Family Income

MHI – Median Household Income

Other Households – non-elderly, single persons.

Overcrowded Households – 1.01 or more people per room

SAAF – Southern Arizona Aids Foundation.

Severely Cost-burdened Households - Households that spend 50% or more of their income on housing costs.

Severe Overcrowding – 1.51 or more people per room

Small Families – Families with 2 to 4 related members.